

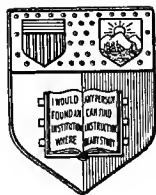
THE CAMBRIDGE FARM INSTITUTE SERIES



FARM ACCOUNTS



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FARM ACCOUNTS

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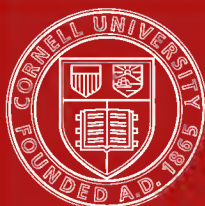
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CHAPTER I

INTRODUCTORY

THE keeping of accounts in some form is a part of every business in connection with which payments are made and received. Even if it be only a rough note with the date and such particulars of a transaction as make it possible to render a bill, or if it be only a loose receipt, a record is kept, for the embarrassment and loss which have been experienced where the slight amount of trouble involved in this work is not taken, have taught the advantage of attending to it. Few men with a sense of what is proper will incur the humiliation of having it proved that they do not know how their financial affairs stand, but among farmers the revelation of shortcoming in this respect is too common, and it is surprising to learn how many attempt to manage their business without the assistance of any records. Putting aside such cases, however, which, as they come to light in arbitrations or elsewhere, meet with general disapproval, and assuming that some system of book-keeping is in use, the question is now being asked whether, with the progress that has been made in farming, experience does not teach the advantage of a considerable extension of account-keeping, whether a task which is now performed with something of a grudge would not far more than repay the labour

bestowed on it if it were taken up and carried through in a willing and generous manner, exactly on the principle that, while a horse is a troublesome animal to feed and attend, he does something more than compensate for all the trouble he causes in the services he renders.

The backwardness of farmers in book-keeping is proverbial, and the reason is not far to seek. Farming is an ancient industry, and it has made wonderful progress without the help of book-keeping. In its beginnings everywhere it was an entirely different business from what it is to-day. Farmers were frequently a self-sufficient people. They could satisfy most of their needs and desires by commodities produced on their own farms. They bought little and sold little, and their wage-bills, where there were wages, were settled largely in kind. Book-keeping was then unnecessary, but whilst it is true that we have travelled far from this state of affairs, the progress has been step by step, and it is difficult in an industry which develops so gradually to decide when the time has arrived for a change in methods to meet new conditions. It was different with the manufacturing industries, which are of comparatively recent origin, and which have depended on purchases and sales and on cash-paid labour from the beginning, for, unlike farming in its early stages, they carried book-keeping with them as a necessary part of their equipment. But however slowly it has come about, it is certain that a vast change has taken place in the methods of agricultural production, and if we were to investigate the business carried on by many farmers to-day, we should find in it a greater resemblance to the most modern form of manufacture than to the old time farming from which the business has grown.

The keeping of financial records can be commended on the ground that they add to the farmer's knowledge something of the most practical and valuable kind. Such records draw information and lessons out of the farmer's own experience that are applicable to his own business in a peculiar and exclusive manner, lessons that are otherwise unobtainable. The advantages of a good general education and of an agricultural education are now recognised, but we have not yet appreciated the benefit which a man derives from having his own experience, the organisation, management and practical working of his business, recorded in terms of profit and loss, and brought right back for him to work on in his next experiment. The education gained from well-directed account-keeping is not only more practical, but also it is more personal and intimate than any other kind of education. When a farmer's interest and energy are narrowed down to the serious business of making money, he produces some financial result, satisfactory or otherwise, which indicates his character as a farmer. Only accurate and sound financial records tell him what kind of man he is and what kind of man he ought to be in this respect. They show where losses were incurred owing to the pursuit of a line of farming the reasons for taking up which are still fresh in his mind, or over transactions into which he entered for reasons which he can recall. On the other hand they show the methods of farming which have been most profitable. That is, they bring the results of his year's work before him when all the causes that contributed to produce them are also before him, and according to his skill in making use of them, a farmer may be guided into the soundest course of business. He may run a mixed

farm and sell dairy produce, crops, bullocks, and sheep. One or more of these may always yield a much larger return than the others. One or more may usually show a loss. If this were brought out in records it would be possible to develop the more profitable lines, and to reduce (so far as the principles of mixed farming admit) the expenditure upon those less profitable. Similarly, in cases where there is only one form of produce with alternative methods of production, that method which leaves the largest profit would be shown, and could be adopted. Every farmer worthy of the name is an experimental farmer, and every year's work is an experiment, but what is the value of an experiment without an accurate record ?

Granting this, it may nevertheless be remarked that there are already many text-books on the subject of Farm Book-keeping, so that a word of explanation may be thought necessary on the issue of still another. The author has had experience of accounts suited to farming practice during a considerable period as agent on a property of some 22,000 acres, with farms of all sizes, from 1100 acres down to 12 acres, in hand at various times ; he has also examined candidates in book-keeping from nearly every Agricultural College and University Department in the British Isles, and he has had the opportunity of going through the accounts of many practical farmers. As a result of this experience he is convinced that owing to the point of view from which teaching is given in text-books and elsewhere at the present time, the keeping of accounts is of much less practical service to the farmer in the management of his farm than it might be. It is the merchant's system of book-keeping which has hitherto been applied

to the farming industry, and by this it is impossible to attain to the objects already detailed. The merchant is concerned solely with the purchase and resale of goods, and his books must be framed to show at a glance the indebtedness of individuals to him or his indebtedness to them. But the farmer is a manufacturer, not a merchant; his transactions with individuals are few and do not, as a rule, need recording, whilst his profit or loss on his enterprise as a whole, can be got, with almost absolute accuracy, without any book-keeping at all. What he wants his books to tell him is the **cost of production** in the various departments of his farm, and his book-keeping must be arranged with this object alone. It is objected that the cost of production cannot be determined without the introduction of estimates into the calculation, and whilst this must freely be admitted there are no grounds for suggesting that these estimations of values are going to render useless the conclusions arrived at. An error of a penny or two in the cost of a quarter of corn, or of a hundred-weight of beef, will not affect adversely the value of the determination to the farmer, and it will presently appear that the Cost system does, in fact, *diminish* the errors due to faulty estimations of value, for by it the actual cost of production is substituted in many places for them (see p. 158).

The argument is supported by the action first of Scottish farmers and more recently of those in England in the new enterprise of Milk Records, which are a complete precedent for the system of cost accounting under consideration. The various lines of farming and methods of production can be regarded for sake of example as so many milk cows, each containing

possibilities of loss or gain. There were farmers not so long ago prepared to belittle and ignore the advantage of milk records. They would rely on good judgment, and on a good memory, and so forth. But most of the men who are keeping records to-day, had the experience of farming without their assistance. They had a generally correct idea about the merits of the different cows as milk producers, and they could tell whether a cow put on rather much flesh, or whether her milking period was rather short. But these same facts about the same cows placed before the farmers in the shape of cold figures have produced a revolution in many herds. The production of milk and the value of the herds have been enormously increased, proving once more that the most successful business management rests on figures which confirm or correct the judgment, and give confidence to the business man in deciding on his policy.

Another objection that has been raised against cost account-keeping is its difficulty. Transactions are carried through away from home and sometimes without bills ; labour is employed at a distance from the house and the work is often changed. But it does seem unsatisfactory to spend money without keeping a record of its destination, and to allow things to slip, simply because it is difficult to grip them. This work of keeping records is being done on a number of farms in England and Scotland and on a much larger number in the United States and on the Continent. Like milking cows, like feeding all live-stock, it requires to be done every day, and this, which is one of its chief merits when the first difficulty is overcome, seems to be the greatest obstacle to its performance.

It has been stated that a properly designed system of accounts should have one aim and object only, namely that of enabling the farmer to ascertain the cost of producing the things sold off his farm, and the meaning of this must be fully appreciated. It is of the greatest importance to adhere strictly and exclusively to the method of getting at what it costs the farmer to produce whatever he sells, for this is the only information worth getting, and it gives everything that is required. The price when anything is sold can then be compared with its cost to the farmer, and the comparison enables him to tell at once how he stands with regard to profit or loss on any transaction.

The principle is simple. It is that when a farmer begins to produce anything, he traces the cost right through the process of production until he realises the value of the product by sale. It is no new principle ; the application of it was advocated by Arthur Young and by subsequent writers in the first half of the nineteenth century. At the present day in America, and in most Continental countries, the organisation of the farm through the accounts is recognised as a definite and highly important study, and it has been neglected far too long in this country. The object of this little volume now offered to farmers and to agricultural students is not to enable them to point with pride to the fact that every penny of income and expenditure has been accounted for, and still less to save them trouble by some new arrangement of book-rulings cunningly contrived, but rather to assist them (as it is hoped) along a new road to success by the systematic study of the economics of farming.

CHAPTER II

FARM VALUATIONS

IN opening accounts, either for the first time, or at the beginning of a fresh period, the first matter for consideration is **capital**. Capital is the money invested in the farm, and the things over which it is spread (live stock, implements, tillages, etc.), are the farmer's assets. Nothing can be done until these assets have been valued. The method of valuation will depend upon whether the accounts are being started, or whether they are merely entering upon another year. In the first case, the valuation will be a matter of estimation. It is important to remember that this estimated valuation will only apply for one year because, in the second case, the records of the foregoing year will enable the farmer to assign real values, for the most part, to his assets, that is to say, the cost of their production.

Assuming the first case, the procedure in valuation is as follows. Beginning with the live stock, take a note-book and make a list of the **horses**, putting down the names and value of each, and the total value of the lot¹.

This Inventory-book will start thus :

INVENTORY and VALUATION of the Live and Dead Stock, Tenant-Right, etc. on Broad Acre Farm.

	1913	1914	1915	1916
<i>Horses :—</i>	£ s. d.			
Captain, br. g.	32 10 0			
Charlie, br. g.	12 0 0			
Grey mare	18 0 0			
3 year old colt.	25 0 0			
2 year old colt.	15 0 0			
Yearling filly	10 0 0			
(and 10 other horses	134 0 0)			
	£246 10 0			

¹ This example and all those that follow are taken, except where otherwise stated, from actual accounts kept by tenant-farmers in various parts of Britain.

By using a wide book, and leaving space at the bottom for future purchases, a period of several years may be covered, and the trouble of making successive yearly valuations much reduced.

Cattle must next be valued, and the breeding herd may be named, or numbered, and then valued individually in the same way as the horses. The remainder of the cattle must then be grouped together in classes, such as "heifers in calf," "two year old bullocks," "yearlings," "calves," etc., and valued at so much per head :

	1913	1914	1915	1916
<i>Cattle :—</i>	£	s.	d.	
Cows in milk and in calf				
No. 862	15	10	0	
863	17	0	0	
867	17	0	0	
868	16	0	0	
(and 42 other cows	670	10	0)	
	£736	0	0	

<i>Bulls :—</i>				
1 2-year old	15	0	0	
1 yearling.....	12	0	0	
	£27	0	0	

<i>Heifers :—</i>				
2 in calf	30	0	0	

<i>Calves :—</i>				
3 @ £3	9	0	0	
3 @ 50s.	7	10	0	
3 @ £2	6	0	0	
	£22	10	0	

Sometimes it is preferred to value the breeding herd, at per head, instead of individually, and then the entry in the Inventory-book would appear :

	1913	1914	1915
	No. Value	No. Value	No. Value
Cows and heifers in milk or in calf @ £16	£ s. d. 46 736 0 0		

Sheep and **pigs** are entered in the same way by grouping them in classes, and then valuing them at so much per head in each class.

Poultry too must be included, and the following is a specimen entry :

	1913	1914	1915
	No. Value	No. Value	No. Value
<i>Poultry :—</i>	£ s. d.		
Pullets @ 4s.	115 23 0 0		
2 year old hens @ 3s. ..	159 23 17 0		
3 " " @ 2s. 6d.	152 19 0 0		
4 " " @ 2s. ..	5 10 0		
5 " " @ 2s. ..	1 2 0		
Cockerels @ 10s.	5 2 10 0		
2 year old cocks @ 3s.	4 12 0		
3 " " @ 2s.	1 2 0		
Chickens @ 6d.	100 2 10 0		
	£72 3 0		

Before passing on to the Dead Stock an important point remains for discussion. It has been stated that the Live Stock must be inventoried and valued, but nothing has been said as to how the valuation is to be made. Certain classes of live stock are subject to sudden and extreme fluctuations in market value ; for example, those who were farming in the year 1908 will recall the very heavy fall in the price of sheep during that autumn and winter, and men who bought sheep at the spring, and even at the autumn, sales found

themselves faced with an actual loss per head in the year following without taking any account of the cost of keep, etc. Again, in 1911 a somewhat similar fluctuation was experienced. The same position may confront the breeder of pedigree stock for the Foreign Market, for an outbreak of Foot and Mouth Disease, like that in the year 1912, may suddenly reduce the value of such stock by fifty per cent., or even more. The question thus arises, what is the correct method by which to value breeding flocks and herds which, in the ordinary course of management, will not be realised? Are they to be valued at the market price of the day, however much it may be inflated or depressed from transient causes, or are they to be valued at some figure constant from year to year whatever the market may be? It is quite an open question, and the two alternatives may best be shown by an example. A man has a breeding flock which he keeps at a hundred head from year to year. He valued them in the spring of 1907 at 55s. per head, being a little less than current market value. In the spring of 1908 when he was making up his accounts for the past year, he found that his flock was worth some 80s. per head judged by the prices of the day, and he valued them accordingly. Thus his books showed him a profit (neglecting for the moment all other factors) of 25s. per head on his flock, or £125 in all. Now the value of all classes of sheep fell very severely in the latter part of 1908, and in the spring of 1909 the farmer reckoned up the markets and valued his ewes once more at 55s. Thus, during the second year they had apparently lost him 25s. per head, or £125 in all. He has had the same head of stock during the whole two-year period, he has not traded with it, and yet his

books show a large profit during the first year and a serious loss during the second. Now this profit has never been in the bank, nor, indeed, could it have been realised in any shape or form, for it is assumed that the system on which the farm was run required that a hundred ewes should be maintained on it. For the same reason the apparent loss in the second year is not a real loss, and thus it is evident that this system of valuing breeding stock at market prices is apt to produce "paper" profits and "paper" losses.

Now, turning to the other alternative, by which breeding stock is valued at a constant figure year by year, the farmer in the example taken would probably have valued his ewe flock in 1907 at, say, 50s. per head, as being a figure below which the market price was never likely to fall, and he would have kept to this figure during the big prices in the early part of the year following, and also during the subsequent fall, so that his books would show neither "paper" profit nor "paper" loss. He puts a fixed value on his flock, a value which he is reasonably confident it would always realise, and he leaves it at that, regarding the flock as a factory for turning out mutton and wool, and his profit or his loss on his sheep-stock for the year depends on the cost of production and the market value of these commodities only. It must be very clearly understood that the system of valuing at a constant price applies only to *breeding* flocks and herds where these are maintained at approximately the same number from year to year, and not offered for sale in the ordinary course of management.

On the whole the writer recommends the "fixed value" system. An objection to this is that the farm

books should show the exact realisable value of the farmer's assets at the date to which the accounts are made up, but where this value is liable to sudden and violent fluctuations before realisation is likely to be effected it seems very desirable to adopt some other standard.

As regards the valuation of the rest of the live stock, horses bred, or bought as yearlings, may safely be valued at £6 for each year's growth up to seven years, after which they should be depreciated by, say, £4 per annum until they stand in the books at £2. This method assumes an average maximum value of £42 per horse, and an average life of 18 years. Horses bought must, of course, be valued at cost, and each should be depreciated by such annual sum as will leave them in the books at about £2 per horse by the time they reach the age of 18 years¹.

Other classes of stock which have been bred or bought and which in future years would be valued according to their cost, are best taken for the first year at their estimated market value.

Having now dealt with live stock, the valuation of the **dead stock** follows, and it includes, of course, such things as wagons and carts, implements of all sorts, machines, tools, utensils and so forth. A complete inventory of all these things must be made and a value assigned to each. It will save a great deal of trouble later on to group the implements, etc., under headings to correspond with the various departments of the farm, milk churns, cow-ties, for example, being placed under "cattle," and ploughs, harrows,

¹ The figures given apply to the ordinary type of good-class agricultural horse. Horses of any other class may be valued on the same principle, but from a different initial figure.

manure-distributors, binders, etc., under "crops," whilst items which cannot thus be allocated, such as carts of all descriptions, are headed "general purposes."

All these things must be valued at the outset at market value, or if they are new, at cost, and in each succeeding year provision must be made for the depreciation which has occurred through use and age. The usual way of providing for depreciation is to knock off a fixed percentage at the close of the year, from the total value when the year began. This is objectionable because it is only a rough approximation, and because the percentage deducted is very often insufficient, particularly in the case of implements bought new. The better plan is to consider each implement by itself, and to assign it a life. The depreciation will then be got by dividing the cost or value by the number of years' life. Many tools and implements will always have a certain value, whatever their age, if they are kept in repair, so that it is not always desirable to depreciate the value of an article down to nothing. A "limit of depreciation" is fixed, and when that figure has been reached, no further deduction is made, but the article is carried forward year by year at the same price. To take an example, a set of harrows may be worth 50s., and it will be safe to give them a life of twenty years. This means that 2s. 6d. per annum must be deducted for depreciation, but if the harrows are kept in repair, they will always have a certain value, say 10s., so that after sixteen years, when the harrows will stand in the inventory at 10s., no further depreciation need be allowed (see pp. 16 and 17).

This may appear for the moment a somewhat complicated and troublesome method of valuation, but by

ruling the Inventory-book in the manner shown on the adjoining page, the operation becomes a very clear and simple one, whilst it has the great advantage of reasonable accuracy. The value of each group of implements in any year and the depreciation on them become, first, a sum in subtraction and then a sum in addition. Several years can be provided for, but to avoid confusion in the future it must be remembered to leave a considerable space at the end of each group when writing out the inventory for the first time, to allow for purchases in the coming years.

Having dealt with these matters, the farmer must pass on to the valuation of **hay**, **straw**, and **corn**. On farms with a Lady-day entry none of these things will be very considerable, but in the case of Michaelmas entries they form important items. Measure the hay, and the straw and corn ricks, and find their contents in cubic yards by the ordinary rules of mensuration, and then allow 10–12 yards to the ton for hay, and about 26 yards to the ton for the straw. When measuring, be careful to make ample allowances for outsides and tops, especially in the case of the hay. Having got the weights, the hay and straw are valued at so much per ton, taking either the *market* value or the *consuming* value according to the custom of the country, records of actual costs not being available.

In some districts it is usual to value the straw at per acre instead of at per ton, and this, of course, is the only possible way of valuing corn in stack. Make a note of the acreage which grew the unthreshed grain, and then estimate the crop, from your recollection of it, in quarters per acre. A value can then be assigned to it, from the quality of a rubbed-out sample, remembering

EXAMPLE OF IMPLEMENT VALUATION

Implement	Cost (or Value)	Life Years	Annual Depreciation	Limit of Depreciation	Value in					
					1913	1914	1915	1916	1917	1918
	£ s. d.		£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.
For Horse Labour :										
2 sets brass mounted harness ..	6 0 0	12	10 0	10 0	6 0 0	5 10 0				
1 set silver do.	3 3 0	9	7 0	10 0	3 3 0	2 16 0				
4 sets cart harness	8 0 0	10	16 0	2 0 0	8 0 0	7 4 0				
(And other items.....)					24 5 10)					
					£41	8 10				
For Cattle :										
4 18-gallon steel churns	5 0 0	10	10 0	None	5 0 0	4 10 0				
Whitewashing machine	2 0 0	8	5 0	None	2 0 0	1 15 0				
(And other items.....)					25 2 0)					
					£32	2 0				
For Crops :										
Manure distributor	10 0 0	10	1 0 0	2 0 0	10 0 0	9 0 0				
3 1 way ploughs	10 0 0	20	10 0	1 10 0	10 0 0	9 10 0				
1 cultivator	5 0 0	20	5 0	5 0	5 0 0	4 15 0				
(And other items.....)					67 12 6)					
					£92	12 6				

For Poultry :

2 large lean-to pens	2	0	0	20	2	0	0	1	18	0
10 black pens.....	5	0	0	10	10	0	0	4	10	0
(And other items							23	18	0)	
							£30 18 0			

For Dairy :

Milk float	8	0	0	16	10	0	1	0	0	8	0	0	7	10	0
"	14	0	0	20	14	0	1	0	0	14	0	0	13	6	0
Cooler for milk	4	10	0	20	4	6	None			4	10	0	4	5	6
(And other items.....										159	4	2)			
													£185	14	2

For General Use :

Oil engine	30	0	0	5	6	0	0	10	0	0	30	0	0	24	0	0
Lorry	22	10	0	20	1	2	6	4	0	0	22	10	0	21	7	6
Cart	14	0	0	20		14	0	3	0	0	14	0	0	13	6	0
(And other items.....											118	15	9)			
											£185 5 9					

to make an allowance of about 3s. 6d. per quarter for the cost of threshing and delivery. The specimen accounts which are being given as examples in this book relate to a farm with a Lady-day entry and there happens to be no hay, straw or corn in stack for valuation. Falling back on the imagination, the entry in the Inventory-book might be:

Grain.

The produce of 50 acres wheat in ricks, 250 quarters @ 30s.	£375. 0s. 0d.
The produce of 75 acres barley in ricks, 300 quarters @ 28s.	£420. 0s. 0d.

The inventory and valuation of threshed corn in the granary follows, and the whole is then totalled up.

Hay and Straw.

Stack meadow hay, about 17 tons ..	£17. 0s. 0d.
Stack barley straw, about 22 tons ..	£11. 0s. 0d.

The next matter for consideration includes all those things coming under the general heading of **tenant-right**, that is, cultivations, growing crops, unexhausted manures, etc. The farm is gone over field by field and all cultivations, seeds and manures since the last crop are recorded and valued. Cultivations are valued according to cost, at so much per acre, seed at cost and sowing, and manures at cost and spreading. On a Lady-day farm, there will be the wheat crop, the clover seeds, and possibly spring-corn, some catch crops and tillages for roots, together with labour and manures on grassland, all to be valued. Taking the accounts of the farm already quoted by way of illustration, the entry in the Inventory-book will appear thus:

Nine Acre Field, 9 a. 2 r. 0 p. (Arable).

2½ acres lucerne, 2nd year. 7¼ acres wheat after seeds.

				£	s.	d.		£	s.	d.
2½ acres lucerne	..	..	@	3	0	0	..	6	15	0
7¼ acres—ploughed	..	..	”		10	0	..	3	12	6
3 times harrowed	..	..	”		1	6	ea..	1	12	7½
2½ bushels seed corn	..	..	”		5	0	..	5	5	0
drilled	..	..	”		2	6	..	18	1½	
10 loads dung ¹	..	..	”		5	0	..	17	10	0
								£35 13 3		

Elm Field, 15 a. 0 r. 0 p. (Pasture).

			s.	d.		s.	d.
15 acres chain harrowed	..	@	1	0	..	15	0

and so on for the remaining fields.

On a Michaelmas farm there will be the fallows and fallow crops, the clover seeds, the tillages and manure for wheat and beans, and perhaps some catch-crops, and manures on grass. The valuation follows precisely on the lines of the Lady-day example.

The principle to follow in the valuation of the items composing the Tenant-right calls for some consideration. In every district the local valuers have a fixed scale of allowances according to which payment is made to a tenant on quitting his holding, and whether it be the most equitable or not it is probably best to recognise it when starting accounts for the first time, because there are no records of the real costs to substitute for it.

Sometimes a farmer may be called upon to effect certain improvements on his holding of a more or less permanent nature. Under this heading may be included such things as liming, drainage, planting fruit,

¹ For valuation of dung see p. 157.

erecting buildings, and so forth. This is not the proper place to go into the details of the valuation of all such things, and it will be sufficient to say that the general principle to be followed in these matters is identical with that recommended for the valuation of implements (see p. 14). Decide upon the probable life of the improvement, and then write off the necessary depreciation each year from its initial value¹.

The only subject remaining for appraisement is the stocks of foods and manures which may be on hand at the end of the year. These are listed and valued at cost, including carriage.

Foods in Store.

	s.	d.	£	s.	d.
96 tons mangolds @	14	0	67	4	0
Purchased feeding stuffs (give details)	..	..	45	15	6
			£112	19	6

Manures, etc. in Store.

		£	s.	d.	£	s.	d.
4 tons superphosphate	@	2	12	3	10	9	0
4 „ basic slag	„	2	12	0	10	8	0
4 „ kainit	„	2	19	0	11	16	0
5 tons 2 cwt. salt	„	15	9		4	0	4
Sawdust	..	..	..		20	0	0
					£56	13	4

Nothing further need be said here upon the subject of the valuation of the capital invested in the farm

¹ Sometimes the "life" is determined in quite another way. In a case known to the author a farmer having taken a 21 years' lease of a farm proceeded to build a pair of cottages on it. Their probable life would be 100 years or more, but for his purposes it had to be taken as 21 years.

when starting accounts for the first time. There may be deductions from the total for dilapidations, that is, for tenant's repairs neglected, for foul land, for hedging and ditching to be done, etc., but these are subjects for special valuation and fortunately they are not incidents essential to every tenancy, and as they will not appear in the accounts of a properly managed farm they need not be discussed here.

Having thus completed the valuation it will be convenient to summarise it in this way :

Summary of Valuation.

	£	s.	d.	£	s.	d.
Horses				246	10	0
Cattle—cows	736	0	0			
bulls	27	0	0			
heifers	30	0	0			
calves	22	10	0			
				815	10	0
Poultry				72	3	0
Cultivations, etc. (giving details of crops, or fields)				153	3	8
Stocks on hand—foods	112	19	6			
manures	56	13	4			
				169	12	10
Implements—for horse labour ..	41	8	10			
„ cattle	32	2	0			
„ crops	92	12	6			
„ poultry	30	18	0			
„ dairy	185	14	2			
„ general use	185	5	9			
				568	1	3
				£2025	0	9

Such a valuation will serve when accounts are being started, but after the first year a different and a better system by which to value the capital in the farm must be adopted. The method of appraisement on a market value basis just detailed is at best an expedient, rendered necessary by the fact that data for more accurate calculations are not available, and the universal

application of it year after year is unsound and leads to false conclusions. The proper course is to carry forward all uncompleted transactions from one year to the next *at their cost*. The approximate market value can be ascertained at any moment, and thus, by having the cost always before him in his books, the farmer is able to determine the most favourable time for realisation. Take the case of a bunch of calves raised on the farm ; as yearlings their cost appears in the books, as two-year-olds again their cost is shown, and when they are sold fat off the farm the total cost is known and a comparison with the price realised is possible. Not only can this final comparison be made, but at any intermediate stage the knowledge of cost enables the farmer to decide whether it will be more profitable at current market prices to sell, say, his steers as stores at two years, or to finish them on the farm. Under the prevailing system of valuation at market price, the cost of the calves is lost sight of at the end of the first farm-year following their birth or purchase, by the substitution of their approximate market value, and thereafter the account is valueless to the farmer as a record of what he has done, and as a guide to his future actions.

The principle arises again in the valuation of home-grown foods fed to stock and the farmer or student must be perfectly clear upon it, for it is fundamental. The fact that the market value principle has been advocated in this country for so long, and that it has been so positively re-asserted in a recently published book¹, makes it necessary to deal with it at some length.

¹ *Farm Management* by G. F. Warren, Professor of Farm Management in the Cornell University, New York.

In discussing the question the author, Prof. Warren, gives an example which is itself the best possible refutation of the principle he advocates. He says : "No subject seems to be more generally misunderstood than the relation of crops to stock. The usual theory seems to be that if corn and hay can be easily and cheaply grown, they should be fed to live stock. Perhaps the basis of this error is the absurd practice of some institutions of charging feed to animals at the cost of producing it rather than what it can be sold for, less the cost of marketing. Some farmers are able to produce hay at a cost of £1 per ton. On other farms it costs £5. When this is charged to cows, it should be counted at its selling value. The cost has nothing to do with the value. The farmer who produced it at £1 might feed it to steers and get £1. 12s. 6d. for it ; by this means he could make a profit on the two things, and steers might be hailed a very profitable enterprise. This sort of figuring misleads some farmers. If hay is worth £3 a ton on the market, a farmer is very foolish to sell it to steers for £1. 12s. 6d., no matter what it cost him."

Since the adoption of this practice which Prof. Warren describes as absurd is advocated by the present writer, it is necessary to justify it, and Prof. Warren's figures and illustrations provide the material for this. In one case hay costs £1 a ton to produce, in another it costs £5, and Prof. Warren, assuming the market price of hay to be £3, suggests that for record-keeping the cost should be abandoned in both cases and the market price substituted. Clearly this sweeps away the principle of cost, and information as to facts, as to what has happened, is lost. A sum of £2 is added to the £1

which the hay actually cost one of the farmers, whilst a sum of £2 is deducted from the £5 which it actually cost the other, and with this misrepresentation of their financial experience their accounts are carried on. If the first farmer feeds 20 tons of hay to his bullocks, his accounts will make him believe that they cost him £40 more than they actually did, and if the second farmer feeds 30 tons of hay, his accounts will show that they cost him £60 less than was the fact. The principle will be the same in all crops fed to stock, the farmers will no longer know how they stand, and the error will increase with the magnitude of the enterprise.

The mistake is due to the departure from the method of recording only what the farmer does. He never sells his own hay to his own bullocks, and he will only confuse himself if he goes through a process in his books which does not correspond with anything in his practice. Another cause of the mistake is the attempt to get a comparison of profits at a wrong stage in the process of production.

It is assumed that the farmer can tell what the hay is worth to the bullocks. This seems to be impossible. Accounts can show what bullocks cost, what hay, cake, turnips and labour cost, but they cannot tell what proportion of the bullocks' value is due to hay, and what to turnips and cake, and it is not necessary that they should. The time to compare the relative gains or losses on the production of hay and bullocks is when their cost of production is known, and both have been sold.

In the second and subsequent years, then, all such things as growing crops, hay, corn, straw, tillages, store and fatting stock, are valued by the simple process

of carrying them forward in the accounts at cost price. Breeding stock and implements are, of course, valued upon the principles already stated (see p. 10 and p. 14).

CHAPTER III

FARM RECORDS

Manual and Horse Labour. Foods. Manures

HAVING completed the valuation of the capital the next step is to consider how the daily operations on the farm can best be recorded to enable proper account of them to be taken.

Manual labour suggests itself first of all, and almost any form of labour-sheet which enables one to put down the daily occupation of each man employed on the place will serve. On the next page is an example which may be recommended.

This form is designed with a view to ascertaining the cost of labour. The names of the men come first, and then follow columns in which can be recorded their work each day. Taking the year as a whole it will be found that on most days each man is employed upon one job for the whole day, but owing to bad weather and other causes this is not invariably the case, and when a man is employed on various jobs his time must be divided (see "F. Fane" on labour-sheet on p. 26). The division need not, however, be carried beyond quarter days, though the Americans recommend the division of each man's time into hours¹, and as farming

¹ See labour-sheet on p. 442 in *Farm Management*, by G. F. Warren.

EXAMPLE OF

BROADACRE

MEN AND HORSES EMPLOYED DURING

Man's No.	Name	First Day	Horses	Second Day	Horses	Third Day	Horses	Fourth Day	Horses
1	G. Fox	Mowing nettles and thistles in Chapel Pasture		Same		Same		Same	
2	G. Bonner	Ploughing Far Corner Field for wheat	2	Same	2	Same	2	Same	2
3	W. Hornby	Ploughing Far Corner Field for wheat	2	Same	2	Same	2	Same	2
4	W. Tamplin	Ploughing Far Corner Field for wheat	2	Same	2	Same	2	Same	2
5	F. Fane	$\frac{1}{2}$ with cattle $\frac{1}{2}$ with sheep		Same		Same		Same	
6	C. Ashby	Helping Fane		Same		Same		Same	

FARM LABOUR-SHEET.

FARM

WEEK ENDED 2ND AUGUST, 1913

Fifth Day	Horses	Sixth Day	Horses	No. of days	Cash paid (Wages and Insurance)			Weekly value of Allowances		Total Cost of Labour			Cost per day
					£	s.	d.	£	s.	d.	s.	d.	
Carting manure to Park Field for wheat	1	Hoeing man-golds in Long Wood Field		6	15	3		9	6	1	4	9	4 1½
Carting manure to Park Field for wheat	1	Same	1	6	13	3		7	9	1	1	0	3 6
Carting manure to Park Field for wheat	1	Fetching coal for threshing wheat	4	6	13	3		9	3	1	2	6	3 9
Carting manure to Park Field for wheat	1	Same	1	6	10	3		11	9	1	2	0	3 8
Same		Same		6	1	1	3			1	1	3	3 6½
Same		Same		6	6	0				6	0	1	0
				36	3	19	3			5	17	6	

becomes more and more industrialised this may be possible in Britain also.

The spaces headed "Horses" which follow each day's work are for use in recording the horse-labour and will be dealt with later (see p. 37).

After the columns for work done comes one for the number of days worked, and then follows the weekly cash payment in respect of the work. With this must now-a-days be included an extra threepence, being the employer's contribution under the National Health Insurance Act.

The next column is headed "Weekly value of allowances." In many parts of the country the cash wages do not nearly represent the actual earnings of the regular men, owing to prevalent systems of allowances and payments in kind. These will not infrequently be sufficient to double the cash payment (see "W. Tamplin" on labour-sheet on p. 26), but even if they only amount to a cottage rent-free it is absolutely necessary to take account of them. Make a list of the allowances in the case of each man, put a value on them, and then find their weekly value. Taking "W. Tamplin's" case as an example, he received board and lodging valued at 10s.6d. per week and other allowances valued at £3.5s.0d. per annum, or 1s. 3d. per week, making a total weekly sum of 11s. 9d. The weekly value must be entered in the column provided for the purpose, and thus the total cost of the labour of each man for the week is arrived at. Dividing this by the number of days worked the cost of each man for the day is shown, and it becomes possible to divide up the cost of all the manual labour amongst the various departments of the farm.

Where there are many men it may simplify the compilation of the labour-sheet if each has a time-sheet supplied to him to fill up. The following is a form of time-sheet in use on a large farm in the Midlands :

BROADACRE FARM

Week ended 2nd August, 1913.

Name: W. Tamplin.

	Work	Field or Yard	Horses worked	Day or part
Monday	Plough	Far Corner Field for wheat	2	Day
Tuesday	"	"	"	"
Wednesday	"	"	"	"
Thursday	"	"	"	"
Friday	Carting manure	Park Field for wheat	1	"
Saturday	"	"	"	"

No mention has been made of piece-work but this can be recorded in precisely the same way. Should payment be deferred beyond the end of the week, the allowances, or that proportion of them proper to the days devoted to piece-work, must also be deferred. The examples given on the following pages will make this plain.

Where a man is engaged partly on piece-work and partly on day-work during the same week, he should be entered twice over in order to avoid confusion. So far as the accuracy of the accounts is concerned, it is not necessary to work out the cost of piece-work *per day*, as the total cost can be charged to the proper department of the farm without difficulty. For the information of the farmer, however, the cost per day should always be worked out where possible, so that he can see how much his men are earning for the various jobs.

Any lump sums paid under certain local conditions of service, such as "Michaelmas-money," "lambing-money," and so forth, are best entered separately at

EXAMPLE OF

(Showing the

BROADACRE

MEN AND HORSES EMPLOYED DURING

Man's No.	Name	First Day	Horses	Second Day	Horses	Third Day	Horses	Fourth Day	Horses
1	G. Fox	Mowing seeds	2	Same	2	Same		—	
2	do. (piece-work)	—		—		—		—	
3	G. Bonner	Hoeing turnips by piece-work all week						—	
(rest of men for this week omitted).									

Week ended 28th June

1	G. Fox	Hoeing turnips by piece-work all week	
2	G. Bonner	Hoeing turnips by piece-work all week	—

FARM LABOUR-SHEET.

recording of piece-work)

FARM

WEEK ENDED 21st JUNE, 1913

WEEK ENDED 21ST JUNE, 1913															
Fifth Day	Horses	Sixth Day	Horses	No. of days	Cash paid (Wages and Insurance)			Weekly value of Allowances			Total Cost of Labour			Cost per day	
—		—			£	s.	d.	£	s.	d.	£	s.	d.	s.	d.
				3		7	9		4	9		12	6	4	2
Hoing turnips by piece-work (see next week)															
—	Drawn on account				1	0	3				1	0	3		
					£1	8	0				1	12	9		
—	6 acres @ 6s. per acre			9	1	16	3	14	3	2	10	6	5	7	
—	8 acres @ 6s. per acre														
	balance due ..			12	1	8	3	15	6	2	3	9			
					£3	4	6				4	14	3		

the foot of the sheet for the week in which they are paid, or alternatively they may be included in the "allowances" and apportioned with them (see p. 28).

Having thus recorded the men's work, it must be analysed. On small farms, where there are only a few men, this may be done at the foot of the labour-sheet, or on the back of it, collecting together the work done for the various departments of the farm. But the neatest plan is to use a book, or sheets, ruled with a series of cash columns as shown on the page adjoining. The columns are headed with the names of the various departments of the farm, and the work done and the horses used by each man during the week are entered under the respective headings.

This example is the analysis of the labour-sheet given on p. 26. Looking at the entry for workman No. 1 on this sheet, it appears that his rate of pay was 4s. 1½d. per day, and that he was working on the wheat crop one day, with one horse, on the mangold crop one day, and on the pasture-land four days. Under the heading "Wheat" on the analysis-sheet is therefore entered "1—4s. 1½d.—1," under the heading "Mangolds" is entered "1—4s. 1½d.—0," and under the heading "Pasture-land" appears "4—16s. 6d.—0." At the extreme end of the sheet is entered the total number of days and the total cost of the labour, "6—£1. 4s. 9d." and this, of course, must agree with the labour-sheet. All the other men are treated in a similar way, and then the various columns are totalled up at the foot of the page, so that the total cost of the labour for each department of the farm during the week is shown, and also the number of horses engaged. These totals may be dealt with each week or they may be carried forward

Broad Acre Farm. Labour Analysis. Week ended 2nd August, 1913.

Man's No.	Rate s. d.	Wheat		Mangolds		Pasture-land		Cattle		Sheep		Horses		Total Cost	
		Days	£ s. d.	Days	£ s. d.	Days	£ s. d.	Days	£ s. d.	Days	£ s. d.	Days	£ s. d.	Days	£ s. d.
<i>Bt. forward</i>															
1	4 1½	1	4 1½	1	4 1½	4	16 6							6	1 4 9
2	3 6	6	1 1 0											6	1 1 0
3	3 9	6	1 2 6											6	1 2 6
4	3 8	6	1 2 0					3	10 7½	3	10 7½			6	1 2 0
5	3 6½							3	3 0	3	3 0			6	1 1 3
6	1 0													6	1 6 0
7															
8															
9															
10															
<i>Car. forward</i>		19	£3 9 7½	34	1	4 1½	4	16 6	6	13 7½	6	13 7½	36	£5 17 6	6

week by week to show a monthly, or even a quarterly cost, and this course will save a multiplicity of entries in the various accounts to be charged.

It must be noted that there are several other ways of recording the labour on the farm¹.

Some people try to reduce the work by using a combined labour and analysis sheet, or rather, several of them, giving each department of the farm its own separate sheet. Such sheets are ruled somewhat in the form shown on the succeeding pages. The objection to this form is that unless used with some sort of pay-sheet, it is impossible to see at a glance the sum due to each man for his week's work, and further, that the occupations of the men are not recorded. It is less easy, too, to check the arithmetic of these sheets, and they involve a good deal of duplication of work in writing out men's names, wages, etc. Still, this form of labour record has been recommended by eminent authorities (see Leaflet on Farm Book-keeping issued by the Board of Agriculture) and with the above reservations it was found satisfactory by the author when used on a large mixed farm in the Midlands.

Enough has now been said on the question of manual labour on the farm to enable the farmer to devise some means of recording it with accuracy. The points to remember are (1) to include all the labourer's emoluments of every sort, both cash and kind, when calculating the cost of his work, (2) to keep a record of the work performed sufficient to enable the cost to be

¹ It is not claimed for *any* of the forms recommended in this book that they are the best in all circumstances. They are put forward as having stood the test of experience, but it may very well be that many persons practising the principles of accountancy here set forth can devise forms more suited to their own individual needs.

*Broad Acre Farm. Wheat Account.
Week ended 2nd August, 1913.*

Name	1st day	2nd day	3rd day	4th day	5th day	6th day	Cash paid (Wages and Insurance)	Weekly value of Allowances	Total Cost of Labour	Cost per day	Number of days	Total Cost per week
	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	s. d.		£ s. d.
<i>Brought forward</i>												
Fox					1		15 3	9 6	1 4 9	4 1½	1	4 1½
Bonner	1	1	1	1	1	1	13 3	7 9	1 1 0	3 6	6	1 1 0
Hornby	1	1	1	1	1	1	13 3	9 3	1 2 6	3 9	6	1 2 6
Tamplin	1	1	1	1	1	1	10 3	11 9	1 2 0	3 8	6	1 2 0
Horses employed	6	6	6	6	4	6						
<i>Carried forward</i>	34											
	3 9 7½											

Broad Acre Farm.

Week ended 2nd August, 1913.

[illegible]

Broad Acre Farm. Cattle Account.

Week ended 2nd August, 1913.

[illegible]

apportioned amongst the various departments of the farm.

Horse-labour next calls for attention, and this is a matter fairly easily dealt with. Whatever form of labour-sheet is used for the men must also provide the means for recording the number of horses working with them on any job. Referring to the labour-sheet, and the labour-analysis sheet first given, the method of entering the horses, analysing their work, and totalling up the number of days worked in each department of the farm will be apparent at a glance. The way in which the cost of the horse-labour is ascertained from the number of days worked is dealt with later (see p. 140).

The recording of **foods consumed** ought to be a matter of the utmost simplicity, but as a matter of fact it frequently presents more difficulty than anything else. Every farmer should know how much cake, corn, hay, straw, roots, etc., is being fed to the various classes of stock on his farm, and no doubt the great majority of them do know. On the other hand, it is a very common experience to be told in answer to an enquiry as to the ration of, say, some cows—"Oh! I let them have all they can eat." More particularly does this apply to bulky foods such as hay and roots, but even where the men are given definite instructions they are frequently apt to observe them very indifferently or to vary them as they may think good, and their employers, though quite conscious of the delinquency, pass it off with the remark, "So long as the stock look well I don't interfere too much with the feeding." This attitude is hardly consistent with sound business. It is absolutely necessary on any properly

conducted farm to know what the live stock are supposed to have, and to see that they get it. The margin on feeding stock is often too small to admit of any slackness in the choice and use of rations if a profit is to be made, and though it is doubtless possible to pass astonishing quantities of cake and corn through an animal, the farmer does not necessarily see his money back, either in meat or in manurial value. The disinclination to draw up proper rations and to insist on their observance is one example of the loose business methods too often met with in farming, which an adequate system of accounting will do much to eliminate. In no other way is it possible to feed with the maximum efficiency, or to compare the economy of rations differing in quality or quantity¹.

Let the farmer, then, never fail to feed according to definite rations, and if his instructions are not strictly carried out the discrepancy between foods bought and foods consumed, as recorded in his books, will soon disclose the fact.

It is hardly necessary to suggest how the recording of foods can be done, as it is a very simple matter. On the next page is a somewhat elaborate form which has been used with success. This form serves several purposes. It acts as a record of stock born, bought, sold and died; it enables the foods consumed by the stock to be recorded, and the columns headed "Field or Yard" show whether these foods were consumed in the yards or on the fields. This latter point is of importance in the apportionment of manurial residues

¹ The writer has seen as much as 14 lb. of cake per day fed to bullocks, under the impression that any money not recovered in meat would be got back in the dung—a fallacy which would speedily have been exposed by book-keeping.

(see p. 156), but if field accounts are not to be kept (see p. 51) the number of the columns may be reduced to "Yards," the various arable crops, "Pasture fields," and "Meadows." In the event, too, of agricultural valuers making a distinction between the value of dung made in yards and of that from foods consumed direct on the land, as should be done, and probably will be done before long¹, a form such as this would be indispensable, whilst if a further distinction should be made one day between the manure from young stock and milking cows, and that from feeding stock, as is theoretically desirable, the value of this form for recording purposes is obvious.

Simpler forms will suggest themselves, in fact any note-book is really sufficient for the purpose of jotting down the foods consumed, but there is always an advantage to be got by using forms specially ruled to meet the needs of the individual.

On a large stock-raising farm in Lincolnshire, and also on a Warwickshire dairy farm, the writer has seen small slips in use, one for each class of stock, thus :

Broad Acre Farm. Week ending 27th September, 1913.
Foods consumed by Calves.

	£	s.	d.
28 calves getting per day :			
$\frac{1}{2}$ lb. linseed cake	1	1	
$\frac{1}{2}$ „ cotton cake		10	
$\frac{1}{2}$ stone bran		7	$\frac{1}{2}$
$\frac{1}{2}$ „ grains		7	$\frac{1}{2}$
	3	2	

¹ See *Journal of the R. A. S. E.* vol. 74, p. 107.

Each of these slips is totalled up every week, and the totals can be carried forward for a period of any length, to show the value consumed during that period. It is an advantage to carry weekly totals forward for at least one month before entering in the particular account concerned so as to save a multiplicity of entries in it.

Sometimes two of these slips are used for each class of stock, the one for foods bought and the other for foods grown on the farm, but this is only necessary when large quantities have to be recorded in a small space.

Home-grown foods, such as hay, straw, mangolds, swedes, etc., are entered on the food-sheets in the same way as are the bought foods. With regard to the pricing of them and of such things as pasturage, however, a little consideration is necessary.

As already stated (see p. 22) some of the American authorities seem to favour market values, and the few investigations into the cost of production on the farm which have been conducted in this country appear to be upon the same basis, but let it be repeated here again that to adopt the market value standard for pricing the items in the cost of producing any article is to render the result useless by the mixing of two incongruous elements. When a farmer sets out to ascertain the cost of a thing, be it milk, wheat, beef, or anything else, he must trace that cost *right through*. If milk be his object then in order to produce it he must grow grass, cabbage, mangolds, and make hay, and so forth, and in order that he may know the cost of the milk, he must know the cost of all these foods. They are not articles which he is

producing in the expectation of sale at a profit, they are merely foods to be bought and paid for, and to go through the form of marketing them to his own cows is to record a transaction which has no existence in fact. Incidentally it may be remarked that certain home-grown crops frequently have no market value, and unless the principle of cost be rigidly adhered to, a purely arbitrary value must be assigned to them. Turnips, for example, have no market price in many places, for whilst a certain quantity may be bought by town dairymen, and the acreage coming into the market to be let for consumption on the holding by sheep may appear to be considerable, and may arouse a good deal of competition, yet the whole amount is quite negligible when contrasted with the total acreage under this crop. It is important always to price the home-grown foods at the cost of producing them, and under no consideration to be led into an attempt to assess their market values. Coming back to the food-recording sheets, the price of a home-grown food can sometimes be stated week by week, as in the case of hay ; at other times, the price can only be ascertained when the food has been consumed, as with the grazing ; or again, it may be possible to charge the whole cost of production of a crop to one class of stock without the necessity of weekly entries, as in the case of a field of turnips consumed by sheep. In the case of pasture land, which will in all probability be grazed by all sorts of live stock, some daily record of the stocking will be necessary. The " Foods Consumed " sheet given on p. 39 may perhaps be made to serve the purpose, but on farms other than small holdings it would often happen that the stock are moved about from field to field too often

to make a weekly record accurate. In such cases the best plan is to provide the bailiff, or the shepherd and the stockman where such are kept, with a note-book containing pages headed with the names of the various fields. The men will then enter day by day the head of stock in each field, and the whole can be summarised by the farmer himself from time to time as may be convenient¹.

An imaginary page from such a note-book would run :

Park Pasture.

Week ended 31st August, 1913.

		Cattle	Sheep
Sunday	12 cows, 56 ewes	12	56
Monday ...	„ 56 „ ½ day	12	28
Tuesday ...	„ 56 „ „	12	28
Wednesday	„ none	12	0
Thursday ..	„ 56 ewes	12	56
Friday	„ „	12	56
Saturday ..	„ „	12	56
		84	280

The totals of the columns are carried forward, week by week, until the end of the grazing season, when the total number of days grazing enjoyed by each class of stock on the farm will be apparent.

The analysis columns are probably best filled up by the farmer himself, and not left to the men. There can be any number of columns, according to the degree to which analysis is being carried on the particular farm. Thus, if cattle are being sub-divided into, say, "Cows," "Feeding Stock" and "Store Stock," there

¹ There should be no hesitation on the part of the farmer to entrust the keeping of these and of similar records to his men. They speedily pick up what is required, and it will frequently be found that they take a certain pride and interest in the work—a feeling which it is very desirable to foster.

must be a column for each in the grazing record. When the cost of the grazing comes to be divided amongst the various classes of live stock, the sheep should be the unit, and horses, bullocks, cows, etc., can each be taken as the equivalent of so many sheep. Thus in the example given on p. 43, if the sheep were of the Hampshire breed, seven of them might be said to consume as much as one cow, and the week's grazing apportionment would be—sheep, 280 units, cows, 588 units. In practice, of course, this calculation is made once only, at the end of the year, and not each week.

As to the pricing of the Purchased Foods, it is only necessary to remark that the cost of carting from the station, or warehouse, to the farm (which may amount to a very considerable sum) must be added to the invoice price before making any calculations.

Manures are of two kinds, purchased and farm-yard. Purchased manures are generally bought for particular crops, as, for example, basic slag for the grass, nitrate of soda for the wheat, or superphosphate for the turnips, and in such cases the invoice itself is sufficient record. When any artificial manure is bought and taken into stock for general purposes a note must be made of the quantities used from time to time on grass or crops. No special form is needed, for the farmer's note-book or diary will suffice, or the person responsible for the labour-sheet can note the fields and the quantities of manures used on them. It might here be remarked that the labour-sheet may be utilised as a general Farm Diary with very good effect. All sorts of happenings may be noted on it week by week, and thus the number of recording books or forms may be reduced. Dung bought is treated exactly in the

same way as purchased artificial, but in the case of dung produced on the farm, it is necessary first of all to find out its cost. The cost of farm-yard manure is, or rather should be, the manurial value of the foods consumed by the stock, together with the value of any litter used. It is not the custom to take into account the manurial value of any green crops or roots, or of hay and straw. In the case of pasturage and fallow crops, the bulk of which are fed off on the land, no alteration in the customary practice is called for, as these things have an exceedingly low manurial value (that of a ton of turnips which would keep one sheep for some three months being about half-a-crown) and it goes back into the land which produced it. This does not apply to the same extent with hay and straw, and there is no doubt that agricultural valuation practice ought to allow something for the residues from them. Valuers themselves really admit the principle, for in many districts they will dilapidate a tenant who sells these things, though they will allow nothing to one who feeds them.

The valuation of food residues, then, resolves itself into a question of the manurial value of such things as cakes, corn, meal, etc., bought, or grown, and consumed by the stock, excluding working horses.

From the food records it is possible to see at a glance the nature and the quantity of these foods, and their manurial value can be calculated from Voelcker and Hall's Tables¹. These tables are not yet adopted universally by agricultural valuers, but it is certain that they soon will be, and the only other system, namely that based on the price paid for the food, is

¹ See *Journal of the R. A. S. E.* vol. 74, p. 114.

so fundamentally wrong that the farmer, in whatever district, should never think of adopting it.

Having got the total value of the food residues, that proportion of it representing foods fed direct on the grass or arable land is charged to those accounts direct (see p. 156). The rest, representing food fed in yards and boxes is charged to a Dung Account (see p. 179). By recording the number of loads, or tons, spread on the fields from time to time, it is possible to arrive at the cost per load, or per ton, of the dung produced, and whilst on the one hand the various crops can be charged with the farm-yard manure used, the farmer, on the other hand, has his attention directed to possible extravagance in feeding, and to the consideration of more economical manuring systems.

Nothing has been said about the value of the straw used for litter. This ought in strictness to be taken into account ; it need not be considered a charge against the cattle, for the work they do in treading it down can be set against the benefit they derive from it as bedding, but some charge ought to be made for it against the Dung Account, so that when the dung is distributed on the various parts of the farm, arable, grass, hops, etc., each may bear its share of indebtedness to the arable land which grew the straw. On the vast majority of farms practically the whole of the dung goes on to the arable land, so that the straw comes back to the land which grew it, and therefore with a view to reducing and simplifying the work the question of the value of the straw in the dung may, perhaps, be disregarded. For strict accountancy, however, and where dung is habitually used in considerable quantities on grass-land, hop-gardens and so forth, the straw in the manure

ought certainly to be charged, and the cost of production, or the Tables of Voelcker and Hall already referred to, will supply the figure at which to charge it.

The record of the loads of dung spread can be kept from day to day on the labour-sheet, in fact, it must be kept on the labour-sheet where filling manure carts is made a matter of piece-work, or it can be jotted down in any note-book or diary kept by the farmer.

Only one other record remains to be kept, namely that of **cash** received and paid. This may be dealt with in any ordinary book ruled with money columns, the pages at one opening being headed respectively, "Receipts," and "Payments." Besides the cash columns, other rulings must provide for the date of each transaction and the particulars of it, whilst a small column immediately before the cash columns is necessary for entering the "Ledger Folio" of each item, that is to say, the number of the page in the Ledger where the same transaction is also recorded. (See p. 106 for further explanation¹.)

An opening in the Cash Book (taken from the accounts of a farm in the Eastern Counties) appears on the next page.

This concludes what has to be said on the subject of Farm Records. There are other matters under this head which require the attention of the farmer, milk records, for example, but these have been dealt with on many occasions and in various publications so that they do not call for special reference here.

¹ The terms "Debit" and "Credit" which are applied to Receipts and Payments are not dealt with at this stage. An explanation of them will be found on p. 55.

CHAPTER IV

THE FARM DEPARTMENTS

HAVING valued his assets and arranged for the recording of his daily transactions on the farm, the next point for the farmer to decide is the number of departments into which his enterprise divides itself. At the outset it may be wise to have few accounts, for it is always possible to increase the degree of detail when experience tells what is required, and when practice has rendered the processes of recording and of analysis almost mechanical. There must, however, be accounts for each of the products of the farm, that is to say, not only for the things sold off the farm, such as milk, beef, mutton, wheat, etc., but also for the crops which are not marketed directly but which are grown to produce some of these articles. Only by such an arrangement is the farmer able to determine the cost of everything he produces.

LAND DEPARTMENTS.

(a) **Arable land.** There must be an account for each crop grown on the farm, to which will be charged all items of expenditure in connection with the crop, so that the cost of production may be ascertained. In the prairie farming of the newer countries this is a very simple matter, but in this country there is some difficulty in distinguishing the cost of producing the various crops in rotation. There is the question of unexhausted manurial residues, and also of the

distribution of the cost of cleaning the land, which, though done for the fallow crop, benefits all the crops in the rotation. In view of the difficulty of deciding these questions, it has been suggested that particular crops should be disregarded and that the rotation should be taken as the unit for the purpose of getting the cost. This would save trouble, but on the other hand there would be the loss of valuable information. Long ago Lawes and Gilbert framed a working scale for the valuation of unexhausted manures. This has been revised on two occasions by Voelcker and Hall and each revision has brought it nearer to an exact representation of the values. Similarly the cost of cleaning land under fallow crops can be apportioned between them and the following crops. The total cost of cleaning can be ascertained by estimating the cost of fallowing the land in order to make it as clean as the green crop leaves it. This cost can then be charged against each crop of the rotation in proportion to the benefit it receives from the cleaning. Unexhausted benefits of cleaning would be ascertained on the same principle as unexhausted manures.

It must be clearly understood that this apportionment of the cost of cleaning involves no abandonment of the cost principle. The cost of cleaning the land is determined with absolute accuracy, and the distribution of this cost over succeeding crops by estimation so far from introducing error into the accounts goes to reduce the error which would arise were the apportionment not attempted. Mathematical precision in the division of the cost is of course impossible, but the want of it will do little or nothing to impair the accuracy and value of the accounts affected.

Perhaps the easiest way by which to record and to trace these apportionments of manurial residues and cleaning benefits on the arable land is by having an account for every field. Thus, on a farm where two fields were in barley, one following wheat and the other following roots, field accounts would enable the widely differing conditions as to these benefits to be recorded and passed on to the next crops, whilst at the same time the cost of growing the two fields of barley could be combined at the end of the year if desired, to show one cost for the whole barley crop on the farm. Of course, all the necessary operations can be recorded within one account for "Barley," and the number of the accounts to be opened will thereby be greatly reduced, but in practice it will be found that field accounts make for ease and accuracy, and added to this they have a special interest of their own. A set of field accounts kept throughout the duration of one rotation would show the ratio of the cost of production to the realised value for each field, and the farmer would gain a good idea of the relative values of his fields. Again, it is only by field accounts that the cost of ploughing and of other farm operations can be arrived at.

(b) **Grass land.** It is desirable to make a sharp distinction between meadow-land and pasture-land and to keep a separate account for each, so that the cost of the hay crop and the cost of the grazing may each of them be determined. In many cases the objectionable custom of grazing and mowing the same fields in alternate years, or as required, still prevails, but even so it is necessary to have the two accounts separated.

LIVE STOCK DEPARTMENTS.

(a) **Horses.** It is necessary to open two accounts for horses, a "Stock" account, and a "Working" account. The reason for differentiating between the two accounts will presently appear (see p. 153), but briefly the distinction is necessary to enable the farmer to calculate accurately the cost of his horse-labour. Many farmers do a little horse-dealing, or they will buy, or breed, young horses, with the intention of selling them at a profit later on. This is quite a separate branch of farming, and it is necessary to keep it entirely apart from the cost of keeping the horses for farm-work. It is immaterial in ascertaining the cost of production whether the horse-labour is performed by young horses growing into money or by aged horses, and by opening the two accounts the farmer is enabled to get from the one his profit or loss on his horse-dealing, and from the other, the cost of his horse-labour. On farms where horses are bought and worked with no intention of resale, it may be sufficient to have one account only, entitled "Working Horses."

(b) **Cattle.** The number of cattle accounts required depends upon the style of farming. Where any stock are bred there must be a "Cows" account, whilst the others that may be wanted are a "Store Cattle" account and a "Feeding Cattle" account. It will be seen presently (see p. 84) that at different periods there will be transferences of stock from one account to another. Thus, calves as they grow up will be transferred from "Cows" to "Store Cattle" whilst the "Store Cattle" in their turn may be transferred to "Feeding Cattle" or back again to "Cows" according

as they are bullocks to be fatted, or heifers to come into the breeding herd.

(c) **Sheep.** The sheep accounts are arranged on exactly similar lines. There must be a "Breeding Flock" account, and probably two more, one for the sheep being finished for the butcher, and one for the ewe lambs that are to come back into the flock.

(d) **Pigs** can be dealt with on most farms in one account, and the same will also be found to be the case with (e) **Poultry**.

MISCELLANEOUS ACCOUNTS.

Besides the accounts foregoing, a few others are necessary for convenience of book-keeping.

(a) **Wages.** Although the wages are analysed (see p. 33) and charged to the various accounts for which the work is done, it will be necessary to have a "Wages" account on all farms except those (if there be any such) where labour is paid entirely in cash, without allowances or payments-in-kind of any sort. Allowances are made in varying degree on the vast majority of farms, and the effect of taking them into account on the weekly labour-sheet is that the weekly cost of the labour on the farm will not agree with the weekly cash wages paid. By having a wages account it is possible to reconcile these differences, for on the one side of the account will appear the cash paid each week, and the value of the allowances as and when made, whilst on the other side of the account will be placed the total value of the weekly work done, and the two sides should then balance approximately at the close of the year (see p. 180).

(b) **Rent, rates, and taxes.** These also require an account to themselves. At the end of the year the balance of the account has to be split up and charged to the various land accounts (see p. 136).

(c) **Sundries.** Certain expenses are always occurring which cannot be charged against any particular account. Such items as the repair of farm roads, the wages of the bailiff or foreman, etc., cannot very well be analysed and they may be charged quite properly to an account entitled "Sundry expenses" or "Establishment Charges." Nothing should be included which can be put direct to any other account, and at the end of the year, when the total is ascertained, it must be shared over the productive accounts (*i.e.* stock and land accounts) in proportion to the capital invested in each, the assumption being that these accounts will have benefited from this expenditure in that ratio. Of course the subsidiary accounts will also have benefited by the establishment expenditure, but as these are ultimately balanced to the productive accounts it seems permissible to omit the step of apportioning to them their share of this item.

CHAPTER V

BOOK-KEEPING

THE way is now clear for the merely mechanical part of accounting, and it becomes necessary to explain a few technical terms and processes.

The books required are known respectively as the **Journal**, the **Cash-book**, and the **Ledger**, and although

in practice the use of the Journal is sometimes neglected, such a course is strongly to be deprecated.

Each page of the Journal is ruled thus :

Date	L.F.	Dr.			Cr.		
		£	s.	d.	£	s.	d.

Theoretically every transaction should be entered in the Journal, and the principle upon which the entries are made is based on the fact that if one department of the farm receives value from another department, it is *debtor* to it. Thus, if the farm records show that the wheat account in any week has had the benefit of manual labour to the value of 25s., then the wheat account is said to be *debtor* to the labour account for this sum, and it follows, of course, that the labour account is the *creditor* for a like amount. The idea is perfectly simple, and the whole principle of what is called book-keeping by double-entry depends on it.—If *A* parts with five pounds to *B*, *B* is debtor to *A*, for this sum, and *A* is *B*'s creditor for it. Here are a few transactions relating to cows taken from a farmer's records, which will serve to illustrate the process of journalising :

1907

					£	s.	d.
May	1	..	Valuation of cows	.. ..	372	5	0
	28	..	14 calves transferred to Store Cattle				
			Account @ £6.				
	31	..	Labour on cows during May	.. ..	1	13	0
			Purchased foods consumed by Cows during				
			May	.. ..	8	3	3
			Home grown foods do.	.. ..	3	6	4

The first item records the investment of a part of the farmer's capital in cows—in other words the account

for the cows has received value from the account for capital, and is therefore *debtor* to it.

The second item records the transfer of value from the cows account to the store stock account, and the former is *credited* and the latter *debited* accordingly.

In the next transaction, the labour account is represented as having laid out £1. 13s. 0d. on the cows, which are therefore made *debtor* for this sum whilst the labour account is *creditor* for it.

Again, with the foods consumed, the food accounts are *credited* with what they have given up to the cows, and the cows are *debited* with what they have received. In this example, the transactions of the cows with the two food accounts are combined in one entry in the Journal in a manner which explains itself.

		Dr.			Cr.		
1907		£	s.	d.	£	s.	d.
May 1	Cows Dr.	372	5	0			
	To Capital Account				372	5	0
	being Value of cows on hand						
„ 28	Store Stock Dr.	84	0	0			
	To Cows				84	0	0
	being 14 Calves transferred @ £6						
„ 31	Cows Dr.	1	13	0			
	To Labour Account				1	13	0
	being Labour during May						
	Cows Dr.	11	9	7			
	To Purchased Foods Account				8	3	3
	„ Home-grown Foods Account				3	6	4
	being Foods consumed during May						

It has been said that theoretically *every* transaction on the farm should appear in the Journal, but in practice it will be found sufficient to limit the use of this book to recording those dealings where no money passes. Thus,

in the examples given the cows do not pay for the foods, neither do the store stock pay for the calves. Where money changes hands over a transaction, the record of it is made in the second of the books, namely, in the **Cash-book**. (An example of a cash-book has been given on p. 48.) The two sides of the book are headed respectively *Receipts* and *Payments*. The receipts are, of course, *debts* and the payments *credits*, for the cash-book is simply a cash account, and it is debtor for what it receives, and creditor for what it gives away. Here are a few transactions taken from the set of accounts utilised for the Journal example :

1907		£	s.	d.
May 7	.. Two cows and their calves sold to Tompkins	@ 21	0	0
11	.. Four ditto	@ 23	15	0
16	.. Veterinary Surgeon's account		4	17 3
31	.. Milk sold during month		2	11 9
	Wages paid during month		15	2 9

These appear in the cash-book thus :

Cash Book.

<i>Dr.</i>					<i>Cr.</i>				
Date	Receipts	L.F.	£	s.	d.	Date	Payments	L.F.	£ s. d.
1907						1907			
May 7	Two cows and calves @ £21		42	0	0	May 16	Veterinary Surgeon's a/c (Cows)		4 17 0
„ 11	Four cows and calves @ £23. 15s. ..		95	0	0	Wages for month		15	2 9
„ 31	Milk sales in May		2	11	3				

Obviously it is not sufficient to sort out the transactions into cash transactions and credit transactions, and then merely to enter them into the Cash-book and Journal respectively. In those books the only attempt at arrangement is to follow the order of dates, and it would be impossible to learn anything about any

particular department of the farm without the tedious process of going through both books and picking out the items concerned. Therefore the **Ledger** is employed, and in it all the items appearing in the Journal and Cash-book are sorted out under their proper headings. The work of entering up the Ledger in this way from the Journal or Cash-book is known as "posting." The Ledger is ruled exactly like the Cash-book, and headings are made in it for each department of the farm, after which the posting can begin. Taking the Journal entries given on p. 56 and posting them into the Ledger, the process is as follows :

"Cows Dr to Capital, £372. 5s. 0d." An account is opened for "Capital" and it is *credited* with the sum of £372. 5s. 0d. given up to the cows account. Then, an account is opened for "Cows," which is *debited* with the value it has received from the capital account, thus completing the "double-entry."

"Store Stock Dr to Cows £84. 0s. 0d." In this transaction the cows give up value and are *credited* with it, whilst an account opened for the "Store Stock" is the receiver and is *debited* accordingly.

"Cows Dr to Labour account, £1. 13s. 0d." The cows have received the benefit of labour worth £1. 13s. 0d. and are *debited* with it; the labour account has provided the labour and is therefore *credited*.

"Cows Dr to Purchased and Home-grown Foods Accounts, £11. 9s. 7d." Again the cows are the *debtors* and the two food accounts are the *creditors*. In this case the cows are debited with the two classes of foods as a whole so as to save trouble and to reduce the number of entries. Now take the Cash-book entries, and post the Ledger from them, remembering that the

Cash-book is itself nothing more than a *ledger account for the cash*, so that when the various cash items have been posted into their respective accounts in the Ledger, the double-entry is complete.

Broad Acre Farm. Ledger.

<i>Dr.</i>		<i>Capital Account.</i>			<i>Cr.</i>		
1907		£	s.	d.	1907	£ s. d.	
				May 1	By Cows	372 5 0	
<i>Dr.</i>		<i>Cows Account.</i>			<i>Cr.</i>		
1907		£	s.	d.	1907	£ s. d.	
May 1	To Capital	372	5	0	May 28	By Store Stock	84 0 0
„ 31	„ Labour	1	13	0	„ 7	„ 2 cows and calves	
„ 31	„ Foods	11	9	7	„	„ sold @ £21	42 0 0
„ 16	„ Cash, Veterinary attendance				„ 11	„ 4 cows @ £23. 15s.	95 0 0
		4	17	0			
<i>Dr.</i>		<i>Store Stock Account.</i>			<i>Cr.</i>		
1907		£	s.	d.	1907	£ s. d.	
May 28	To Cows	84	0	0			
<i>Dr.</i>		<i>Labour Account.</i>			<i>Cr.</i>		
1907		£	s.	d.	1907	£ s. d.	
May 31	To cash, wages for May	15	2	9	May 31	By Cows	1 13 0
<i>Dr.</i>		<i>Purchased Foods Account.</i>			<i>Cr.</i>		
1907		£	s.	d.	1907	£ s. d.	
				May 31	By Cows	8 3 3	
<i>Dr.</i>		<i>Home-grown Foods Account.</i>			<i>Cr.</i>		
1907		£	s.	d.	1907	£ s. d.	
				May 31	By Cows	3 6 4	

N.B. In practice, of course, each account would appear on a separate page of the Ledger.

The postings to the Ledger from the Journal are given in *italics*, to distinguish them from the Cash-book items. Dealing with each item it will be noted that on the Receipts, or debit, side of the Cash-book it is recorded that money has been received for cows and calves sold. It is not of the slightest importance to record the fact that they were sold to one Tompkins—all that is material is that the cows account has parted with value to the cash account, and that the Cash-book is to be *debited* (which has been done) and that now the cows account must be *credited*. In fact, in entering up the Cash-book, and in posting the Ledger from the Cash-book, the process of journalising is gone through mentally. The receipts from milk sales are dealt with in the same way. On the payments, or credit, side of the Cash-book are entries of payments to the veterinary surgeon for attendance on cows, and for general farm wages during the month of May. In these cases the cash account has been *credited* with the value given up, and it remains only to *debit* the cows and labour accounts respectively with the values they have received. This is the whole art of “double-entry.” The very expression is sufficient to frighten many people, who talk of “book-keeping by double-entry” as if it were extremely difficult, whereas the process is simply the application of the commonest of common sense to the understanding of what happens when value is transferred from one part of the business to another part.

Assuming that enough has been said to show how the items composing the farm records find their way into the departmental accounts in the Ledger, an example

will now be given based on the accounts of a Lincolnshire farm for the year 1907-8.

The following are the records of transactions upon Broad Acre Farm for one year from 1st May, 1907 :

1907

May 1. Valuation of Capital at this date :

			£	s.	d.	£	s.	d.
Farm horses (<i>at valuation</i>)	..	..	246	0	0			
Nag horses (<i>at valuation</i>)	..	..	30	0	0			
Young horses (<i>at valuation</i>)	..	..	60	0	0			
Cows (<i>at per head</i>)	..	..	372	0	0			
Store cattle (<i>at cost</i>)	..	..	458	10	0			
Fattening cattle (<i>at cost</i>)	..	..	419	10	6			
Ewe flock (<i>at per head</i>)	..	..	1279	17	6			
Pigs (<i>at per head</i>)	..	..	27	0	0			
Poultry (<i>at per head</i>)	..	..	9	9	0			
Fallow crops (113 acres after Wheat, <i>at cost</i>)			60	0	0			
Mangolds (7 acres after Mangolds, <i>at cost</i>)	..	..	21	0	0			
Barley (120 acres after Roots, <i>at cost</i>)	..	..	249	10	0			
Clover (120 acres after Barley, <i>at cost</i>)	..	..	66	0	0			
Wheat (80 acres after Clover, <i>at cost</i>)	..	..	298	0	0			
Oats (40 acres after Clover, <i>at cost</i>)	..	..	150	0	0			
Meadows (14 acres <i>at cost</i>)	..	..	3	0	0			
Pastures (250 acres <i>at cost</i>)	..	..	40	8	10			
Implements (<i>at valuation</i>)	..	..	477	0	6			
Foods on hand (<i>at cost</i>)	..	..	288	9	9			
Dung (<i>at cost</i>)	..	..	106	9	6			
Cash at Bank	..	..	130	18	4			
						4793	3	11

Month of May.

Cash transactions :

Paid for wages	..	..	..	..	29	9	0
„ „ board of waggoners	..	..	..	..	3	3	2
„ „ groom's fee for service of 3 mares	..	..	..	..		7	6
„ „ clover seed	..	..	..	..	21	7	4
„ „ mangold seed	..	..	..	..	4	11	8
„ „ Poor rates	..	..	..	..	20	16	5
„ „ petty expenses	..	..	..	..		13	4
Received for 8 fat lambs (less expenses)	..	..	..	..	13	16	6
„ „ 6 fat ewes (less expenses)	..	..	..	..	17	8	6
„ „ wool locks	..	..	..	..	8	4	6
„ „ poultry and eggs	..	..	..	..	1	11	10

Credit transactions :

Foods consumed by :

					£	s.	d.	£	s.	d.
Farm horses	..	..	..	..	15	3	5			
Nag horses	..	..	..	..	1	14	7			
Cows	..	..	..	..	10	10	6			
Store cattle	..	..	..	..	12	2	0			
Fattening cattle	..	..	..	..	7	2	8			
Sheep	..	..	..	..	12	14	8			
Pigs	..	..	..	..	2	6	4			
Poultry	..	..	..	..	19	4				

62 13 6

Labour performed for :

Cows	..	..	..	..	1	13	0			
Store cattle	..	..	..	..	1	14	3			
Fattening cattle	..	..	..	..	3	7	0			
Sheep	..	..	..	..	4	10	8			
Pigs	..	..	..	..		4	0			
Fallow crops	..	..	..	..	12	11	10			
Mangolds	..	..	..	..	3	10	0			
Meadows	..	..	..	..		14	6			
Foods	..	..	..	..	2	1	2			
Establishment	..	..	..	..	1	5	5			

31 11 10

Month of June.

Cash transactions :

Paid for wages	..	..	..	..	53	2	2			
„ „ manure distributor	..	..	..	..	22	16	0			
„ „ 8 tons superphosphate	..	..	..	..	21	18	0			
„ „ 4 tons agricultural salt	..	..	..	..	3	8	0			
„ „ 4 tons linseed cake	..	..	..	..	32	0	0			
„ „ plough fittings	..	..	..	..	3	7	0			
„ „ 2 tons Moissine meal	..	..	..	..	10	0	0			
„ „ 8 tons nitrate of soda	..	..	..	..	92	0	0			
„ „ swede seed	..	..	..	..	1	19	11			
„ „ cotton seed meal	..	..	..	..	28	12	0			
„ „ malt culms	..	..	..	..	17	0	0			
„ „ Bank charges	..	..	..	..	2	11	0			
Received for 18 fat lambs	..	..	..	..	39	16	4			
„ „ 10 fat ewes	..	..	..	..	22	18	6			
„ „ 1 ram	..	..	..	..	2	9	6			
„ „ 2 fat bullocks	..	..	..	..	44	1	9			

Credit transactions :

Foods consumed by :

Farm horses	..	..	..	..	15	16	5			
Nag horses	..	..	..	..	2	8	6			
Cows	..	..	..	..	5	18	11			
Store cattle	..	..	..	..	4	8	4			
Fattening cattle	..	..	..	..	10	3	6			
Sheep	..	..	..	..	5	10	10			
Pigs	..	..	..	..	3	2	4			
Poultry	..	..	..	..	1	5	10			

48 14 8

Labour performed for :	£	s.	d.	£	s.	d.
Cows	2	3	9			
Store cattle	2	1	3			
Fat cattle	5	1	3			
Sheep	5	13	3			
Pigs		5	0			
Fallow crops	15	15	2			
Mangolds	1	5	0			
Barley	7	10	4			
Wheat	5	4	6			
Oats	3	5	0			
Foods	1	11	6			
Establishment	2	12	8			
				52	8	8

Month of July.

Cash transactions :

Paid for wages	35	12	6
„ „ foreman's wages (3 months)	25	0	0
„ „ board of waggoners	16	0	0
„ „ poor Rates	13	7	
Sundry payments during quarter, viz. :			
Horses	1	6	
Cows	8	1	
Fattening cattle		7	
Sheep	3	9	3
Fallow crops		6	9
Implements	11	10	
Foods	2	1	
Establishment	9	0	
Received for Income Tax repaid	9	6	4
„ „ 14 fat lambs	27	4	9
„ „ 35 fat ewes	89	15	8
„ „ 10 cows	137	0	0
„ „ poultry and eggs	1	4	1

Credit transactions :

Foods consumed by :

Farm horses	8	16	6
Nag horses	1	9	5
Cows	3	12	7
Store cattle		9	9
Fattening cattle	8	0	11
Sheep	4	11	0
Pigs	3	2	4
Poultry	19	7	
			31 2 1

Labour performed for :						£	s.	d.	£	s.	d.
Cows	..	..	..	..	..	1	0	6			
Store cattle ..	..	..	..	..	..		2	3			
Fattening cattle	..	..	..	..	..	3	14	4			
Sheep	..	..	..	..	..	3	8	3			
Pigs	..	..	..	..	..		4	0			
Fallow crops ..	..	..	..	..	..	6	11	3			
Mangolds	..	..	..	..	..	1	17	6			
Seeds	..	..	..	..	..	14	2	5			
Meadows	..	..	..	..	..	10	7	6			
Foods	..	..	..	..	..		3	7			
Establishment ..	..	..	..	..	..	2	15	2			
									44	6	9

Month of August.

Cash transactions :

Paid for beer (men steam cultivating fallow land)									7	0	
" " " (haymaking: Meadows, 5s., Close, 16s. 6d.)									1	1	6
" " sheep-dip and pitch									2	5	9
" " wages									74	7	11
" " board of man									10	0	
" " rat poison									7	6	
" " veterinary surgeon, viz. :											
Cows						4	17	0			
Store cattle						2	12	0			
Horses						6	4	6			
									13	13	6

Paid for Hail Insurance Premium, viz. :

Barley	..	..	..	..	..	3	10	10			
Wheat	..	..	..	..	..	2	7	4			
Oats	..	..	..	..	..	1	3	7			
									7	1	9

Received for 10 fat lambs						19	19	0			
" " 16 fat ewes						41	9	7			
" " boar pig						3	17	8			
" " 3 qrs. oats						3	0	0			
" " milk						2	11	9			
" " 162 tods 10 lb. wool @ 25s. 6d. less 10s. returns (1s. per sheet)						206	10	0			
" " 2 horses						29	0	0			
" " poultry and eggs							8	2			

Credit transactions :

Foods consumed by :						£	s.	d.	£	s.	d.
Farm horses ..	..	..	..	..	..	6	16	9			
Nag horses ..	..	..	..	..	..	2	1	3			
Cows ..	..	..	..	..	..	5	16	7			
Store cattle ..	..	..	..	..	..	2	6	10			
Fattening cattle	..	..	..	..	..	11	8	9			
Sheep ..	..	..	..	..	..	11	14	8			
Pigs ..	..	..	..	..	..	4	2	7			
									44	7	5

Labour performed for :

Cows ..	..	..	..	..	..	1	10	3			
Store cattle ..	..	..	..	..	..		10	9			
Fattening cattle	..	..	..	..	..		15	3			
Sheep ..	..	..	..	..	..	3	16	5			
Pigs ..	..	..	..	..	..		5	0			
Barley ..	..	..	..	..	..	37	10	5			
Oats ..	..	..	..	..	..	12	12	3			
Wheat ..	..	..	..	..	..	25	3	7			
Meadows ..	..	..	..	..	..	12	12	0			
Foods ..	..	..	..	..	..		2	9			
Establishment	..	..	..	..	..	3	2	5			
									98	1	1

Month of September.

Cash transactions :

Paid for Accident Insurance premium ..						3	11	6
„ „ wages ..	..	..	..	..	..	14	19	6
„ „ chaff cutting (for horses) ..	..	..	..	..	..	3	0	0
„ „ two rams ..	..	..	..	..	..	12	12	0
„ „ carriage on same ..	..	..	..	..	..		4	6
„ „ service for mare ..	..	..	..	..	..	3	3	0
Received for 30 fat ewes ..	..	..	..	..	..	75	5	1
„ „ lambs sold at fair ..	..	..	..	..	..	428	12	6
„ „ draft ewes do. ..	..	..	..	..	..	101	17	6
„ „ eggs and poultry sold ..	..	..	..	..	..	2	19	2

Credit transactions :

Foods consumed by :						£	s.	d.	£	s.	d.
Farm horses ..	..	..	..	..	..	7	8	8			
Nag horses ..	..	..	..	..	..	1	8	5			
Cows ..	..	..	..	..	..	4	10	1			
Store cattle ..	..	..	..	..	..	3	6	4			
Fattening cattle	..	..	..	..	..	9	3	1			
Sheep ..	..	..	..	..	..	6	12	8			
Pigs ..	..	..	..	..	..	3	5	0			
									35	14	3

Labour performed for :						£	s.	d.	£	s.	d.
Cows	..	..	..	..	..		16	9			
Store cattle ..	..	..	..	..	..		10	3			
Fattening cattle	..	..	..	..	..	1	12	7			
Sheep	..	..	..	..	..	2	16	7			
Pigs	..	..	..	..	..		4	0			
Barley	..	..	..	..	..	19	9	4			
Oats	..	..	..	..	..	6	10	2			
Wheat	..	..	..	..	..	13	9	2			
Pastures	..	..	..	..	..	2	6	8			
Foods	..	..	..	..	..		2	6			
Establishment	..	..	..	..	..	2	1	2			
									49	19	2

Month of October.

Cash transactions :

Cash transactions.									
Paid for foreman's wages for quarter	..	..	..	..	..	25	0	0	
" " turnip seed and bags	..	..	..	..	..		7	8	
" " carriage of superphosphate	..	..	..	..	..		1	6	0
" " 2 tons dec. cotton cake	..	..	..	..	..	16	3	2	
" " self-binder	..	..	..	..	..	25	0	0	
" " sheaf carrier for ditto	..	..	..	..	..		1	10	0
" " 3 tons coal for cultivating fallows	..	..	..	..	..		2	15	1
" " 2 tons coal for foreman	..	..	..	..	..		1	17	0
" " petroleum for oil engine	..	..	..	..	..		4	10	0
" " poultry food	..	..	..	..	..		5	5	6
" " wages	..	..	..	..	..	42	13	4	
" " blacksmith's work :									
Farm horses	..	..	..	..	20	1	9		
Nag horses	..	..	..	..	1	10	0		
Implements	..	..	..	..	8	2	4		
						29	14	1	
" " carpenter, repairs to gates and fences						10	6	3	
Sundry payments during Quarter, viz. :									
For cows	..	..	..	..	..		1	0	
" , fattening cattle	..	..	..	..	..		3	9	
" , sheep	..	..	..	..	..		1	0	2
" , rats killed	..	..	..	..	..		5	10	4
Received for binder cover burnt (Insurance Co.)							2	11	0
" , poultry and eggs sold	..	..	..	..	..		6	3	8
" , 59 lambs sold	..	..	..	..	..		91	3	0

Credit transactions :

Foods consumed by :

Cost consumed by:									
Farm horses ..	..	..	..	..	7	7	5		
Nag horses ..	..	..	..	..	1	10	1		
Cows ..	..	..	..	..	5	7	0		
Store cattle ..	..	..	..	..	3	9	4		
Fattening cattle	..	..	..	..	7	4	0		
Sheep ..	..	..	..	..	2	8	6		
Pigs ..	..	..	..	..	3	5	0		
Poultry ..	..	..	..	..		1	9		
								30	13 1

Labour performed for :	£	s.	d.	£	s.	d.
Cows		18	3			
Store cattle		10	9			
Fatting cattle	2	11	2			
Sheep	2	17	0			
Pigs		4	0			
Wheat (1908 crop)	41	3	1			
Establishment	3	3	3			
				51	7	6

Inter-departmental transfers :

Two bull-calves @ £6 transferred from Cows account to Bull calves account.

One heifer @ £17, transferred from Store Cattle account to Fatting Cattle account.

Month of November.

Cash transactions :	£	s.	d.	£	s.	d.
Paid for 10 qrs. maize				13	8	0
„ „ farm wages				37	14	4
„ „ harvest wages (balance) and beer :						
Barley	5	9	4			
Oats	1	16	5			
Wheat	3	12	11			
				10	18	8
„ „ 7½ tons coal for cultivating fallows				7	5	10
„ „ service of maros				6	6	0
„ „ manure distributor fittings				4	0	
„ „ thatching at 1d. per yard :						
10 barley stacks	5	10	1			
7 wheat „	3	9	2			
5 oat „	3	1	7			
				12	0	10
„ „ Poor rates				17	0	8
Received for mare (less luck money)				9	19	0
„ „ 12 qrs. wheat @ 40s.				24	0	0
„ „ 3 cottage rents (½ year)				7	0	0
„ „ 6 fat bullocks (less expenses)				132	14	7
„ „ 15 fat ewes				40	0	0

Credit transactions :

Foods consumed by :					£	s.	d.	£	s.	d.
Farm horses	..	..	..	..	14	19	2			
Nag horses ..	..	..	..	..	2	7	8			
Young horses	..	..	..	..	1	10	6			
Cows..	..	..	..	..	8	9	3			
Store cattle	..	..	..	..	10	2	11			
Fatting cattle	..	..	..	..	38	3	10			
Bull calves ..	..	..	..	..	1	8	1			
Sheep	..	..	..	..	2	19	0			
Pigs ..	..	..	..	..	4	12	3			
Poultry	..	..	..	..	1	3	1			
								85	15	9

Labour performed for :

Young horses	..	..	..	..			7			
Cows	..	..	..	..	1	14	9			
Store cattle	..	..	..	..	1	13	6			
Fatting cattle	..	..	..	..	2	6	4			
Bull calves ..	..	..	..	..			7			
Sheep	..	..	..	..	3	18	6			
Pigs ..	..	..	..	..			5			
Wheat, 1908	..	..	..	..	5	10	9			
Barley, 1908	..	..	..	..	15	14	3			
Oats, 1908 ..	..	..	..	..	10	3	6			
Foods	..	..	..	..			12			
Establishment	..	..	..	..	5	2	1			
								47	9	6

Month of December.

Cash transactions :

Paid for 4 tons linseed cake	..	..						32	15	0
" " wages	..	..	..	..				36	19	2
" " 2 two-year-old steers	..	..	..	..				25	8	3
" " 14 pigs at 19s. 6d.	..	..	..	..				13	13	0
" " 4 tons dec. cotton cake..	..	..	..	..				31	8	3
" " 4 tons undec. do.	..	..	..	..				21	19	3
" " 2 tons Molascuit ..	..	..	..	..				10	10	0
" " Bank charges	..	..	..	..				8	2	3
" " yearling bull	..	..	..	..				21	0	0
Received for milk	..	..	..	..				8	17	11
" " 30 qrs. barley @ 27s. 6d. ..								41	5	0
" " 8 fat bullocks (less expenses)								189	15	0

Credit transactions :

Foods consumed by :

Farm horses	..	..	..	..	14	8	4			
Nag horses ..	..	..	..	..	2	7	8			
Young horses	..	..	..	..	2	4	4			

	£	s.	d.	£	s.	d.
Cows	9	4	4			
Store cattle	27	7	5			
Fatting cattle	30	5	10			
Bull calves	1	5	0			
Sheep	6	17	1			
Pigs	2	8	4			
Poultry	1	0	0			
				97	8	4

Labour performed for :

Young horses	5	0				
Cows	2	7	9			
Store cattle	3	1	0			
Fatting cattle	3	1	10			
Bull calves	4	11				
Sheep	5	3	8			
Pigs	5	0				
Mangolds	1	5	0			
Wheat, 1907	4	3	0			
Barley, 1908	9	3	8			
do. 1907	5	0	0			
Oats, 1908	2	10	9			
do. 1907	2	2	0			
Pastures, 1908	18	3				
Implements	2	4				
Foods	9	6				
Establishment	6	3	9			
				46	7	5

Inter-departmental transfers :

18 calves transferred from Cows to Store			
Cattle at weaning, @ £6	108	0	0
Old bull transferred to Fatting Cattle from			
Store Cattle	17	0	0

1908. *Month of January.*

Cash transactions :

Paid for foreman's wages for quarter ..	25	0	0
„ „ repairs to oil engine	5	9	7
„ „ 2 cows	36	0	0
„ „ wages	31	14	1
„ „ one year's rent	550	0	0
„ „ Income Tax	10	16	0
„ „ registration of bull calves	4	0	

Sundry payments during Quarter, viz :

For Horses	1	1	9
„ Cows	19	6	
„ Sheep	2	10	1
„ Establishment	5	14	2

	£	s.	d.	£	s.	d.
Received for 30 qrs. barley @ 27s. 6d. ..				41	5	0
" " milk				4	18	0
" " eggs					6	0
" " 130 qrs. wheat @ 37s. 6d. ..				243	15	0
" " 40 turkeys, 577 lbs. @ 9d. ..				21	12	9
" " potatoes				2	0	0
" " skins, viz. :						
Horses					9	6
Cows				2	5	6
Store Cattle					8	0
Sheep				11	10	6
" " 6 fat bullocks				129	0	0
" " 8 yearling steers @ £10. 5s. 0d. ..				82	0	0
" " 8 two-year-old steers @ £17 ..				136	0	0
" " 7 fat cows @ £20				140	0	0
" " 45 qrs. oats @ 19s.				42	15	0
" " 6 bacon pigs				28	4	8

Credit transactions :

Foods consumed by :

Farm horses	14	19	7
Nag horses	2	7	8
Young horses	1	19	0
Cows	9	4	4
Store cattle	27	6	2
Fattening cattle	32	7	6
Bull calves	1	11	6
Sheep	5	12	1
Pigs	1	11	9
Poultry	19	10	
	97	19	5

Labour performed for :

Young horses	1	3	
Cows	2	8	9
Store cattle	2	12	0
Fattening cattle	1	16	4
Bull calves	5	3	
Sheep	2	11	2
Pigs	6	0	
Mangolds, 1908	3	10	0
Barley, 1907	2	2	9
Oats, 1907	1	1	0
Wheat, 1907	2	2	9
Fallows, 1908	15	0	11
Foods	9	6	
Establishment	1	5	5
	35	13	1

Inter-departmental transfers :

Keep of two mares, before and after foaling, £7. 10s. 0d., transferred from Farm Horses to Young Horses

Labour performed for :

	£	s.	d	£	s.	d
Young horses			7		11	
Cows	2	19	6			
Store cattle	2	11	0			
Fattening cattle	2	9	9			
Bull calves			7		0	
Sheep	7	10	1			
Pigs			6		9	
Barley, 1908	10	19	3			
Oats, 1908	3	13	1			
Fallow crops, 1908	7	6	2			
Foods			3		2	
Establishment	3	15	5			
				42	9	1

Inter-departmental transfers :

2 calves transferred from Cows to Store						
Cattle @ £6				12	0	0
Pig allowed to Shepherd as part of wages,						
value				9	0	0
Pigs allowed to Labourers do.				18	10	0

Month of March

Cash transactions :

Paid for farm wages	25	19	6
Received for 61 qrs. wheat @ 31s. 6d. ..	96	1	6
" " milk	4	17	2
" " eggs		14	1
" " 2 sheep	4	10	0
" " 6 fat beasts @ £19. 10s. 0d. ..	117	0	0
" " 46 qrs. barley @ 29s. 6d. ..	67	17	0
" " 1 ton hay	4	10	0
" " 3 year old colt	55	0	0
" " " filly	55	0	0
" " " "	45	0	0
" " 2 young bulls	50	15	0

Credit transactions :

Foods consumed by :

Farm horses	8	1	0
Nag horses	1	14	8
Young horses	2	19	0
Cows	7	4	6
Store cattle	21	5	3
Fattening cattle	4	16	1
Bull calves	1	17	0
Sheep	4	7	5
Pigs	1	1	0
Poultry		8	9
			53 14 8

Labour performed for :	£	s.	d.	£	s.	d.
Young horses		7	2			
Cows	1	13	7			
Store cattle	1	8	6			
Fattening cattle	1	3	0			
Bull calves		8	11			
Sheep	6	18	1			
Pigs		3	6			
Barley, 1908	7	14	6			
Oats, 1908	4	14	0			
Fallows, 1908	10	9	6			
Foods		12	2			
Establishment	1	11	11			
				37	4	10

Month of April.

Cash transactions :

Paid for wages				24	12	9
„ „ foreman's wages (3 months)				25	0	0
„ „ thatch pegs				2	2	0
„ „ chaff cutting for horses				3	7	6
„ „ 1 ton linseed cake				9	5	0
„ „ 2 tons bran				12	12	6
„ „ lambing oil				1	8	0
„ „ repairs to sheep nets				4	10	0
„ „ threshing, viz.						
Wheat	16	12	4			
Barley	23	15	0			
Oats	11	17	5			
				52	4	9
„ „ coal for threshing				8	6	5
„ „ blacksmith's work :						
Farm horses	18	7	3			
Nag horses	2	0	0			
Implements	3	9	7			
				23	16	10
„ „ board of waggoners				71	1	3
Received for 138 qrs. wheat @ 33s.				227	4	0
„ „ 3 cottage rents ($\frac{1}{2}$ year)				7	0	0
„ „ bank interest				9	6	3
„ „ potatoes				16	0	
„ „ 8 pigs sold				48	7	6

Credit transactions, viz. :

Foods consumed by :

Farm horses	10	3	4			
Nag horses	2	1	9			
Cows	10	19	7			
Store cattle	19	10	6			
Sheep	5	7	3			
Pigs	12	6				
Poultry	7	3				
				49	2	2

Labour performed for :						£	s.	d.	£	s.	d.
Cows	..	..	..	..	..	1	19	6			
Store cattle ..	..	..	..	..	..	1	5	3			
Sheep	..	..	..	..	..	6	15	9			
Pigs	..	..	..	..	..		3	6			
Fallows, 1908 ..	..	..	..	..	..	21	19	7			
Mangolds, 1908 ..	..	..	..	..	..	3	10	0			
Meadows, 1908 ..	..	..	..	..	..		18	0			
Pastures, 1908 ..	..	..	..	..	..	7	10	0			
Foods	..	..	..	..	..		3	9			
Establishment ..	..	..	..	..	..	1	4	3			
									45	9	7

Other facts that have been noted during the course of the year are :

All the dung on hand at the beginning of the year was applied to the land broken up for the 1908 wheat crop ; also four tons nitrate of soda were applied to this crop. All the superphosphate bought was drilled with the Fallow Crops of 1907. One ton of salt was applied to the 1907 mangold crop, and 70 loads of dung were spread for the 1908 crop.

347 quarters of barley, 18 quarters of wheat, and 214 quarters of oats have been transferred to the foods account ; also 15 tons meadow hay, 46 tons seed hay, 60 tons oat straw, and 60 tons barley straw. 80 tons wheat straw, and 60 tons barley straw have been transferred to the Dung account. The horses have worked as follows : sheep, 94 days ; fallows, 1907, 285 days ; mangolds, 1907, 15 days ; barley, 1907, 302 days ; clover, 1907, 77 days ; wheat, 1907, 223 days ; oats, 1907, 111 days ; meadows, 1907, 35 days ; foods, 170 days ; fallows, 1908, 720 days ; mangolds, 1908, 92 days ; meadows, 1908, 12 days ; establishment, 34 days ; barley, 1908, 562 days ; wheat, 1908, 628 days ; oats, 1908, 274 days ; pastures, 1908, 112 days ; seeds, 1908, 24 days. (See p. 140.)

The pastures have maintained about 300 ewes, 20 cows with calves, 33 store cattle, 25 fattening cattle, and 18 horses. The seeds grazed have maintained about 300 ewes. The mangolds have been consumed by the ewes. 30 quarters of barley, 30 quarters of wheat, and 15 quarters of oats have been used for seed for the 1908 crops.

It is now possible to enter all these transactions in the books. In any ordinary industry the practice is to enter up the Journal, Cash-book, and Ledger *daily*, but to illustrate such a course in a text-book is obviously impossible. It is therefore necessary to deal first with all the *credit* transactions, by journalising them, and then with all the *cash* transactions, by entering them in the Cash-book. Both Journal and Cash-book are then posted to the Ledger. To aid the reader in following up the cash and credit transactions respectively, the former are printed in ordinary type and the latter in italics.

The first fact recorded is the distribution of the Capital over the departments of the farm, and of course each department is *debtor* to Capital for the value it receives. To save the time and trouble which would be involved in making a separate Journal entry for each department (such as "Farm Horses Dr. to Capital," "Nag Horses Dr. to Capital," "Young Horses Dr. to Capital," and so on) the whole of them are combined under the heading "Sundries." [Note that the figures appearing in the Ledger Folio column have nothing to do with the work at this stage, but the exigencies of printing require their insertion.]

Date	Journal	L.F.	Dr.			Cr.		
			£	s.	d.	£	s.	d.
1907								
May 1	<i>Sundry accounts Dr., viz. :</i>							
	<i>Farm horses</i>	2	246	0	0			
	<i>Nag horses</i>	4	30	0	0			
	<i>Young horses</i>	5	60	0	0			
	<i>Cows</i>	6	372	0	0			
	<i>Store cattle</i>	7	458	10	0			
	<i>Fattening cattle</i>	8	419	10	6			
	<i>Ewe flock</i>	9	1279	17	6			
	<i>Pigs</i>	10	27	0	0			
	<i>Poultry</i>	11	9	9	0			
	<i>Fallow crops, 1907</i>	12	60	0	0			
	<i>Mangolds, 1907</i>	13	21	0	0			
	<i>Barley</i>	14	249	10	0			
	<i>Clover, 1907</i>	15	66	0	0			
	<i>Wheat, 1907</i>	16	298	0	0			
	<i>Oats, 1907</i>	17	150	0	0			
	<i>Meadows, 1907</i>	18	3	0	0			
	<i>Pastures, 1907</i>	19	40	8	10			
	<i>Implements</i>	20	477	0	6			
	<i>Foods on hand</i>	21	288	9	9			
	<i>Dung</i>	22	106	9	6			
	<i>Cash</i>	C.B.	130	18	4			
	<i>To Capital, being assets at this</i>							
	<i>date</i>	1				4793	3	11

Passing over the Cash transactions for May, which will appear later on in the Cash-book (p. 98), the Foods consumed in this month are summarised in the Journal in the same manner. If preferred, the amounts can be carried forward on the Food Sheets (p. 40) until a quarterly total is arrived at, with a view to saving entries in Journal and Ledger, but monthly totals give a much clearer view of what is going on in each department.

Labour performed is treated similarly. It might be supposed that wages could be entered as cash transactions but this is impossible on most farms because of various payments in kind, which may augment the cash wages very considerably (p. 28).

"Establishment" is the name of the Account opened to deal with items which cannot be charged to any particular department.

The June, July, August, and September transactions are dealt with on exactly similar lines.

Date	Journal	L.F.	Dr.			Cr.		
			£	s.	d.	£	s.	d.
1907								
May 31	<i>Sundry accounts Dr., viz. :</i>							
	<i>Farm horses</i>	3	15	3	5			
	<i>Nag horses</i>	4	1	14	7			
	<i>Cows</i>	6	10	10	6			
	<i>Store cattle</i>	7	12	2	0			
	<i>Fattening cattle</i>	8	7	2	8			
	<i>Sheep</i>	9	12	14	8			
	<i>Pigs</i>	10	2	6	4			
	<i>Poultry</i>	11		19	4			
	<i>To Foods, being values consumed</i>							
	<i>during May</i>	21				62	13	6
	<i>Sundry accounts Dr., viz. :</i>							
	<i>Cows</i>	6	1	13	0			
	<i>Store cattle</i>	7	1	14	3			
	<i>Fattening cattle</i>	8	3	7	0			
	<i>Sheep</i>	9	4	10	8			
	<i>Pigs</i>	10		4	0			
	<i>Fallow crops</i>	12	12	11	10			
	<i>Mangolds</i>	13	3	10	0			
	<i>Meadows</i>	18		14	6			
	<i>Foods</i>	21	2	1	2			
	<i>Establishment</i>	28	1	5	5			
	<i>To Labour, being labour employed</i>							
	<i>during May</i>	23				31	11	10

Date	Journal	L.F.	Dr.			Cr.		
1907			£	s.	d.	£	s.	d.
June 30.	<i>Sundry accounts Dr., viz. :</i>							
	<i>Farm horses</i>	.. ..	3	15	16	5		
	<i>Nag horses</i>	.. ..	4	2	8	6		
	<i>Cows</i>	.. ..	6	5	18	11		
	<i>Store cattle</i>	.. ..	7	4	8	4		
	<i>Fattening cattle</i>	.. ..	8	10	3	6		
	<i>Sheep</i>	.. ..	9	5	10	10		
	<i>Pigs</i>	.. ..	10	3	2	4		
	<i>Poultry</i>	.. ..	11	1	5	10		
	<i>To Foods, being values consumed</i>							
	<i>during June</i>	.. ..	21			48	14	8
	<i>Sundry accounts Dr., viz. :</i>							
	<i>Cows</i>	.. ..	6	2	3	9		
	<i>Store cattle</i>	.. ..	7	2	1	3		
	<i>Fattening cattle</i>	.. ..	8	5	1	3		
	<i>Sheep</i>	.. ..	9	5	13	3		
	<i>Pigs</i>	.. ..	10		5	0		
	<i>Fallow crops</i>	.. ..	12	15	15	2		
	<i>Mangolds</i>	.. ..	13	1	5	0		
	<i>Barley</i>	.. ..	14	7	10	4		
	<i>Wheat</i>	.. ..	16	5	4	6		
	<i>Oats</i>	.. ..	17	3	5	0		
	<i>Foods</i>	.. ..	21	1	11	6		
	<i>Establishment</i>	.. ..	28	2	12	8		
	<i>To Labour, being labour employed</i>							
	<i>during June</i>	.. ..	23			52	8	8

Date	Journal	L.F.	Dr.			Cr.		
1907			£	s.	d.	£	s.	d.
July 31	<i>Sundry accounts Dr., viz. :</i>							
	<i>Farm horses</i>	3	8	16	6			
	<i>Nag horses</i>	4	1	9	5			
	<i>Cows</i>	6	3	12	7			
	<i>Store cattle</i>	7		9	9			
	<i>Fattening cattle</i>	8	8	0	11			
	<i>Sheep</i>	9	4	11	0			
	<i>Pigs</i>	10	3	2	4			
	<i>Poultry</i>	11		19	7			
	<i>To Foods, being values consumed</i> <i>during July</i>	21				31	2	1
	<i>Sundry accounts Dr., viz. :</i>							
	<i>Cows</i>	6	1	0	6			
	<i>Store cattle</i>	7		2	3			
	<i>Fattening cattle</i>	8	3	14	4			
	<i>Sheep</i>	9	3	8	3			
	<i>Pigs</i>	10		4	0			
	<i>Fallow crops</i>	12	6	11	3			
	<i>Mangolds</i>	13	1	17	6			
	<i>Seeds</i>	15	14	2	5			
	<i>Meadows</i>	18	10	7	6			
	<i>Foods</i>	21		3	7			
	<i>Establishment</i>	28	2	15	2			
	<i>To Labour, being labour employed</i> <i>during July</i>	23				44	6	9

Date	Journal	L.F.	Dr.			Cr.		
1907			£	s.	d.	£	s.	d.
Aug. 31	<i>Sundry accounts Dr., viz. :</i>							
	<i>Farm horses</i>	.. ..	3	6	16	9		
	<i>Nag horses</i>	.. ..	4	2	1	3		
	<i>Cows</i>	.. ..	6	5	16	7		
	<i>Store cattle</i>	.. ..	7	2	6	10		
	<i>Fattening cattle</i>	.. ..	8	11	8	9		
	<i>Sheep</i>	.. ..	9	11	14	8		
	<i>Pigs</i>	.. ..	10	4	2	7		
	<i>To Foods, being values consumed</i>							
	<i>during August</i>	.. ..	21				44	7 5
	<i>Sundry accounts Dr., viz. :</i>							
	<i>Cows</i>	.. ..	6	1	10	3		
	<i>Store cattle</i>	.. ..	7		10	9		
	<i>Fattening cattle</i>	.. ..	8		15	3		
	<i>Sheep</i>	.. ..	9	3	16	5		
	<i>Pigs</i>	.. ..	10		5	0		
	<i>Barley</i>	.. ..	14	37	10	5		
	<i>Oats</i>	.. ..	17	12	12	3		
	<i>Wheat</i>	.. ..	16	25	3	7		
	<i>Meadows</i>	.. ..	18	12	12	0		
	<i>Foods</i>	.. ..	21		2	9		
	<i>Establishment</i>	.. ..	28	3	2	5		
	<i>To Labour, being labour employed</i>							
	<i>during August</i>	.. ..	23				98	1 1

Date	Journal	L.F.	Dr.			Cr.		
1907			£	s.	d.	£	s.	d.
Sept. 30	<i>Sundry accounts Dr., viz. :</i>							
	<i>Farm horses</i>	.. ..	3	7	8	8		
	<i>Nag horses</i>	.. ..	4	1	8	5		
	<i>Cows</i>	.. ..	6	4	10	1		
	<i>Store cattle</i>	.. ..	7	3	6	4		
	<i>Fatting cattle</i>	.. ..	8	9	3	1		
	<i>Sheep</i>	.. ..	9	6	12	8		
	<i>Pigs</i>	.. ..	10	3	5	0		
	<i>To Foods, being values consumed</i>							
	<i>during September</i>	.. ..	21				35	14 3
	<i>Sundry accounts Dr., viz. :</i>							
	<i>Cows</i>	.. ..	6		16	9		
	<i>Store cattle</i>	.. ..	7		10	3		
	<i>Fatting cattle</i>	.. ..	8	1	12	7		
	<i>Sheep</i>	.. ..	9	2	16	7		
	<i>Pigs</i>	.. ..	10		4	0		
	<i>Barley</i>	.. ..	14	19	9	4		
	<i>Oats</i>	.. ..	17	6	10	2		
	<i>Wheat</i>	.. ..	16	13	9	2		
	<i>Pastures</i>	.. ..	19	2	6	8		
	<i>Foods</i>	.. ..	21		2	6		
	<i>Establishment</i>	.. ..	28	2	1	2		
	<i>To Labour, being labour employed</i>							
	<i>during September</i>	.. ..	23				49	19 2

Note that the work done for wheat during October is for the next year's crop, and similar entries relating to other departments will occur later. It is important to record the transactions so that the costs of one crop may not be confused with those of the succeeding year.

The transfer of the bull calves from the Cows account into an account of their own is a new feature. It happens frequently during the year that there are transferences of value from one account to another. Thus, in this case, the young bulls are weaned, and henceforward appear as a separate department. Similarly with the next entry: a heifer not wanted for breeding is put up to fat, and Store Cattle are *credited* and Fatting Cattle *debited*, to record the transaction.

Date	Journal	L.F.	Dr.			Cr.		
1907			£	s.	d.	£	s.	d.
Oct. 31	<i>Sundry accounts Dr., viz. :</i>							
	<i>Farm horses</i>	3	7	7	5			
	<i>Nag horses</i>	4	1	10	1			
	<i>Cows</i>	6	5	7	0			
	<i>Store cattle</i>	7	3	9	4			
	<i>Fattening cattle</i>	8	7	4	0			
	<i>Sheep</i>	9	2	8	6			
	<i>Pigs</i>	10	3	5	0			
	<i>Poultry</i>	11		1	9			
	<i>To Foods, being values consumed during October</i>	21				30	13	1
	<i>Sundry accounts Dr. viz. :</i>							
	<i>Cows</i>	6		18	3			
	<i>Store cattle</i>	7		10	9			
	<i>Fattening cattle</i>	8	2	11	2			
	<i>Sheep</i>	9	2	17	0			
	<i>Pigs</i>	10		4	0			
	<i>Wheat, 1908</i>	30	41	3	1			
	<i>Establishment</i>	28	3	3	3			
	<i>To Labour, being labour employed during October</i>	23				51	7	6
	<i>Bull calves Dr.</i>	24	12	0	0			
	<i>To Cows, being value of two calves transferred</i>	6				12	0	0
	<i>Fattening cattle Dr.</i>	8	17	0	0			
	<i>To Store Cattle, being value of heifer transferred</i>	7				17	0	0

Date	Journal	L.F.	Dr.	Cr.
			£ s. d.	£ s. d.
1907				
Nov. 30	<i>Sundry accounts Dr., viz. :</i>			
	<i>Farm horses</i>	3	14 19 2	
	<i>Nag horses</i>	4	2 7 8	
	<i>Young horses</i>	5	1 10 6	
	<i>Cows</i>	6	8 9 3	
	<i>Store cattle</i>	7	10 2 11	
	<i>Fatting cattle</i>	8	38 3 10	
	<i>Bull calves</i>	24	1 8 1	
	<i>Sheep</i>	9	2 19 0	
	<i>Pigs</i>	10	4 12 3	
	<i>Poultry</i>	11	1 3 1	
	<i>To Foods, being values consumed</i> <i>during November</i>	21		85 15 9
	<i>Sundry accounts Dr., viz. :</i>			
	<i>Young horses</i>	5		7
	<i>Cows</i>	6	1 14 9	
	<i>Store cattle</i>	7	1 13 6	
	<i>Fatting cattle</i>	8	2 6 4	
	<i>Bull calves</i>	24	7 6	
	<i>Sheep</i>	9	3 18 6	
	<i>Pigs</i>	10	5 0	
	<i>Wheat, 1908</i>	30	5 10 9	
	<i>Barley, 1908</i>	29	15 14 3	
	<i>Oats, 1908</i>	31	10 3 6	
	<i>Foods</i>	21	12 9	
	<i>Establishment</i>	28	5 2 1	
	<i>To Labour, being labour employed</i> <i>during November</i>	23		47 9 6

In December there are further transfers between departments—18 calves are taken from the Cows and charged (*debited*) to Store Cattle, and a bull is transferred from Store Cattle to Fattening Cattle.

Date	Journal	L.F.	Dr.			Cr.		
1907			£	s.	d.	£	s.	d.
Dec. 31	<i>Sundry accounts Dr., viz. :</i>							
	<i>Farm horses</i>	3	14	8	4			
	<i>Nag horses</i>	4	2	7	8			
	<i>Young horses</i>	5	2	4	4			
	<i>Cows</i>	6	9	4	4			
	<i>Store cattle</i>	7	27	7	5			
	<i>Fatting cattle</i>	8	30	5	10			
	<i>Bull calves</i>	24	1	5	0			
	<i>Sheep</i>	9	6	17	1			
	<i>Pigs</i>	10	2	8	4			
	<i>Poultry</i>	11	1	0	0			
	<i>To Foods, being values consumed during December</i>	21				97	8	4
	<i>Sundry accounts Dr., viz. .</i>							
	<i>Young horses</i>	5		5	0			
	<i>Cows</i>	6	2	7	9			
	<i>Store cattle</i>	7	3	1	0			
	<i>Fatting cattle</i>	8	3	1	10			
	<i>Bull calves</i>	24		4	11			
	<i>Sheep</i>	9	5	3	8			
	<i>Pigs</i>	10		5	0			
	<i>Mangolds</i>	13	1	5	0			
	<i>Wheat, 1907</i>	16	4	3	0			
	<i>Barley, 1908</i>	29	9	3	8			
	<i>„ 1907</i>	14	5	0	0			
	<i>Oats, 1908</i>	31	2	10	9			
	<i>„ 1907</i>	17	2	2	0			
	<i>Pastures, 1908</i>	32		18	3			
	<i>Implements</i>	20		2	4			
	<i>Foods</i>	21		9	6			
	<i>Establishment</i>	28	6	3	9			
	<i>To Labour, being labour employed during December</i>	23				46	7	5
	<i>Store cattle Dr.</i>	7	108	0	0			
	<i>To Cows, for value of 18 calves transferred at £6</i>	6				108	0	0
	<i>Fatting cattle Dr.</i>	8	17	0	0			
	<i>To Store Cattle for value of bull transferred</i>	7				17	0	0

In January again, is the record of another inter-departmental transaction ; this time the Young Horses account has to be charged with the cost of the keep of two mares before and after foaling, when they were not at work. The cost of keep has been included with that of the rest of the farm horses, and this account must accordingly be credited.

Date	Journal	L.F.	Dr.			Cr.		
1908			£	s.	d.	£	s.	d.
Jan. 31	<i>Sundry accounts Dr., viz.:</i>							
	<i>Farm horses</i>	.. .. .	3	14	19	7		
	<i>Nag horses</i>	.. .. .	4	2	7	8		
	<i>Young horses</i>	.. .. .	5	1	19	0		
	<i>Cows</i>	.. .. .	6	9	4	4		
	<i>Store cattle</i>	.. .. .	7	27	6	2		
	<i>Fatting cattle</i>	.. .. .	8	32	7	6		
	<i>Bull calves</i>	.. .. .	24	1	11	6		
	<i>Sheep</i>	.. .. .	9	5	12	1		
	<i>Pigs</i>	.. .. .	10	1	11	9		
	<i>Poultry</i>	.. .. .	11		19	10		
	<i>To Foods, being values consumed during January</i>	.. .. .	21				97	19 5
	<i>Sundry accounts Dr., viz.:</i>							
	<i>Young horses</i>	.. .. .	5		1	3		
	<i>Cows</i>	.. .. .	6	2	8	9		
	<i>Store cattle</i>	.. .. .	7	2	12	0		
	<i>Fatting cattle</i>	.. .. .	8	1	16	4		
	<i>Bull calves</i>	.. .. .	24		5	3		
	<i>Sheep</i>	.. .. .	9	2	11	2		
	<i>Pigs</i>	.. .. .	10		6	0		
	<i>Mangolds, 1908</i>	.. .. .	26	3	10	0		
	<i>Barley, 1907</i>	.. .. .	14	2	2	9		
	<i>Oats, 1907</i>	.. .. .	17	1	1	0		
	<i>Wheat, 1907</i>	.. .. .	16	2	2	9		
	<i>Fallows, 1908</i>	.. .. .	25	15	0	11		
	<i>Foods</i>	.. .. .	21		9	6		
	<i>Establishment</i>	.. .. .	28	1	5	5		
	<i>To Labour, being labour employed during January</i>	.. .. .	23				35	13 1
	<i>Young horses Dr.</i>	.. .. .	5	7	10	0		
	<i>To Farm Horses, being cost of keep of 2 mares before and after foaling</i>	.. .. .	3				7	10 0

In the case of the pig allowed to the shepherd, and those allowed to the men, the Labour account is *debited* and the Pigs *credited* with the values.

Date	Journal	L.F.	Dr.			Cr.		
			£	s.	d.	£	s.	d.
1908								
Feb. 29.	<i>Sundry accounts Dr., viz.:</i>							
	<i>Farm horses</i>	3	18	1	5			
	<i>Nag horses</i>	4	2	19	7			
	<i>Young horses</i>	5	4	4	2			
	<i>Cows</i>	6	14	3	9			
	<i>Store cattle</i>	7	39	13	4			
	<i>Fatting cattle</i>	8	13	2	5			
	<i>Bull calves</i>	24	3	13	4			
	<i>Sheep</i>	9	11	15	8			
	<i>Pigs</i>	10	2	7	6			
	<i>Poultry</i>	11	1	2	0			
	<i>To Foods, being values consumed during February</i>	21				111	3	2
	<i>Sundry accounts Dr., viz.:</i>							
	<i>Young horses</i>	5		7	11			
	<i>Cows</i>	6	2	19	6			
	<i>Store cattle</i>	7	2	11	0			
	<i>Fatting cattle</i>	8	2	9	9			
	<i>Bull calves</i>	24		7	0			
	<i>Sheep</i>	9	7	10	1			
	<i>Pigs</i>	10		6	9			
	<i>Barley, 1908</i>	29	10	19	3			
	<i>Oats, 1908</i>	31	3	13	1			
	<i>Fallow crops, 1908</i>	25	7	6	2			
	<i>Foods</i>	21		3	2			
	<i>Establishment</i>	28	3	15	5			
	<i>To Labour, being labour employed during February</i>	23				42	9	1
	<i>Store cattle Dr.</i>	7	12	0	0			
	<i>To Cows, being value of two calves transferred @ £6</i>	6				12	0	0
	<i>Labour Dr.</i>	23	9	0	0			
	<i>To Pigs, being value of pig allowed to shepherd</i>	10				9	0	0
	<i>Labour Dr.</i>	23	18	10	0			
	<i>To Pigs, being value of pigs allowed to men</i>	10				18	10	0

Date	Journal	L.F.	Dr.	Cr.
1908			£ s. d.	£ s. d.
Mar. 31	<i>Sundry accounts Dr., viz. :</i>			
	<i>Farm horses</i>	3	8 1 0	
	<i>Nag horses</i>	4	1 14 8	
	<i>Young horses</i>	5	2 19 0	
	<i>Cows</i>	6	7 4 6	
	<i>Store cattle</i>	7	21 5 3	
	<i>Fatting cattle</i>	8	4 16 1	
	<i>Bull calves</i>	24	1 17 0	
	<i>Sheep</i>	9	4 7 5	
	<i>Pigs</i>	10	1 1 0	
	<i>Poultry</i>	11	8 9	
	<i>To Foods, being values consumed</i>			
	<i>during March</i>	21		53 14 8
	<i>Sundry accounts Dr., viz. :</i>			
	<i>Young horses</i>	5	7 2	
	<i>Cows</i>	6	1 13 7	
	<i>Store cattle</i>	7	1 8 6	
	<i>Fatting cattle</i>	8	1 3 0	
	<i>Bull calves</i>	24	8 11	
	<i>Sheep</i>	9	6 18 1	
	<i>Pigs</i>	10	3 6	
	<i>Barley, 1908</i>	29	7 14 6	
	<i>Oats, 1908</i>	31	4 14 0	
	<i>Fallows, 1908</i>	25	10 9 6	
	<i>Foods</i>	21	12 2	
	<i>Establishment</i>	28	1 11 11	
	<i>To Labour, being labour employed</i>			
	<i>during March</i>	23		37 4 10

In accounting for Artificial Manures, as for example, the superphosphate applied to the 1907 Fallows (see next page), it must not be forgotten to include the cost of carriage.

After dealing with the item salt applied to mangolds, the rest of the records must be left for the moment as they cannot be journalised at this stage, the costs of the items concerned not yet being known. They are dealt with on p. 137 and onwards.

Date	Journal	L.F.	Dr.			Cr.		
			£	s.	d.	£	s.	d.
1908								
April 30	<i>Sundry accounts Dr., viz. :</i>							
	<i>Farm horses</i>	3	10	3	4			
	<i>Nag horses</i>	4	2	1	9			
	<i>Cows</i>	6	10	19	7			
	<i>Store cattle</i>	7	19	10	6			
	<i>Sheep</i>	9	5	7	3			
	<i>Pigs</i>	10		12	6			
	<i>Poultry</i>	11		7	3			
	<i>To Foods, being values consumed during April</i>	21				49	2	2
	<i>Sundry accounts Dr., viz. :</i>							
	<i>Cows</i>	6	1	19	6			
	<i>Store cattle</i>	7	1	5	3			
	<i>Sheep</i>	9	6	15	9			
	<i>Pigs</i>	10		3	6			
	<i>Fallows, 1908</i>	25	21	19	7			
	<i>Mangolds, 1908</i>	26	3	10	0			
	<i>Meadows, 1908</i>	27		18	0			
	<i>Pastures, 1908</i>	32	7	10	0			
	<i>Foods</i>	21		3	9			
	<i>Establishment</i>	28	1	4	3			
	<i>To Labour, being labour employed during April</i>	23				45	9	7
	<i>Wheat, 1908 Dr.</i>	30	106	9	6			
	<i>To Dung, being value applied</i>	22				106	9	6
	<i>Wheat, 1908 Dr.</i>	30	46	0	0			
	<i>To Artificial manures, 4 tons nitrate of soda</i>	35				46	0	0
	<i>Fallows, 1907 Dr.</i>	12	23	4	0			
	<i>To Artificial manures, 8 tons super-phosphate</i>	35				23	4	0
	<i>Mangolds, 1907 Dr.</i>	13		17	0			
	<i>To Artificial manures, 1 ton salt</i>	35				17	0	

Having completed the Journal so far (for there will be other items to be journalised at a later stage) the Cash-book must be written up. This is a very simple matter, the things received and paid during the year being entered into it, the former on the *debit* side (the cash account being the receiver of value) and the latter on the *credit* side (the cash account being the giver-up of value). The name of the account to which the item belongs is written first, and a very brief explanatory note after it. Thus, taking the records of Cash transactions in May, the first item is: "Paid for wages £29. 9s. 0d." (see p. 61). This is a credit item and it belongs to the Labour Account; accordingly an entry is made on the credit side of the Cash-book—"By Labour, wages £29. 9s. 0d." Similarly, taking the first receipt in May—"Received for 8 fat lambs £13. 16s. 6d." Here the Cash account is a gainer and is debited, whilst the account parting with value to it is the Ewe Flock account, and the entry in the Cash-book will be "To Ewe Flock, 8 lambs £13. 16s. 6d."

The first item to be entered is the "Cash in Bank £130. 18s. 4d." which is included in the statement of assets on p. 61. This item was not entered in the Ledger when the other assets were posted, and it must now be placed on the receipt, or debit, side of the Cash-book.

As in the case of the Journal, the Ledger Folio column is to give a reference to the Ledger account where any item appearing in the Cash-book will be found, and in practice, of course, this column is filled up as the work of posting the cash items into the Ledger accounts proceeds.

Cash Book.

Date 1907	Receipts (Dr.)	L.F.	£	s.	d.	Date 1907	Payments (Cr.)	L.F.	£	s.	d.
Aug. 31	<i>Forward</i>		545	16	7		<i>Forward</i>		450	8	0
	To ewe flock, 10 lambs	9	19	19	0		Fallow crops	12	6	9	
	" " 16 ewes	9	41	9	7		Implements	20	11	10	
	" pigs, 1 boar	10	3	17	8		Foods	21	2	1	
	" foods, 3 qrs. oats sold	21	3	0	0		Establishment	28	9	0	
	" cows, milk	6	2	11	9	Aug. 31	By beer for men, viz.:				
	" ewe flock, wool	9	206	10	0		" Fallow crops	12	7	0	
	" farm horses, 2 sold	2	29	0	0		" Meadows	5	0	18	
	" poultry, eggs, etc.	11	8	2			" Clover	16	6	15	
Sept. 30	" ewe flock, 30 fat ewes.	9	75	5	1				1	8	6
	" " lambs	9	428	12	6		" ewe flock, sheep dip	9	2	5	9
	" " ewes	9	101	17	6		" labour, wages	23	74	7	11
	" poultry, eggs, etc.	11	2	19	2		" " board of man	23	10	0	
Oct. 31	" implements, fire insurance claim	20	2	11	0		" establishment, rat poison	28	7	6	
	" poultry, eggs, etc.	11	6	3	8		" veterinary surgeon, viz.:				
	" ewe flock, 59 lambs	9	91	3	0		Cows	6			
							Store cattle	2	12	0	7
							Farm horses	6	4	6	3
									13	13	6
							" hail insurance, viz.:				
							Barley	3	10	10	14
							Wheat	2	7	4	16
							Oats	1	3	7	17
Sept. 30	" labour, accident insurance					Sept. 30	" labour, accident insurance		7	1	9
	" " wages						ance	23	3	11	6
	" farm horses, chaff cutting	3					wages	23	14	19	6
	" ewe flock, 2 rams	9					" farm horses, chaff cutting	3	3	0	0
	" " carriage on same	9					" ewe flock, 2 rams	9	12	12	0
	" farm horses, service fee	2					" " carriage on same	9	4	6	
Oct. 31	" establishment, foreman's wages	28				Oct. 31	" farm horses, service fee	2	3	3	0
	" fallow crops, turnip seed	12					" establishment, foreman's wages	28	25	0	0
	" artificials, carriage of super.	35					" fallow crops, turnip seed	12	7	8	
							" artificials, carriage of super.	35	1	6	0
							<i>Forward</i>		£615	16	9

Cash Book.

Date	Receipts (Dr.)	L.F.	£	s.	d.	Date	Payments (Cr.)	L.F.	£	s.	d.
1907			1561	4	8	1907			615	16	9
Nov. 30	Forward						Forward		21		
	To farm horses, mare sold	2	9	19	0		By foods, 2 tons cotton cake	21	16	3	2
	„ wheat, 12 qrs. @ 40s.	16	24	0	0		„ implements, binder ..	20	25	0	0
	„ rent, etc., cottage rents	33	7	0	0		„ sheaf carrier	20	1	10	0
	„ fattening cattle, 6 bullocks	8	132	14	7		„ fallow crops, coal for				
	„ ewe flock, 15 ewes ..	9	40	0	0		„ cultivating	12	2	15	1
							„ establishment, coal for				
							„ foreman	28	1	17	0
							„ implements, petroleum	20	4	10	0
							„ poultry, food	11	5	5	6
							„ labour, wages	23	42	13	4
							„ blacksmith, viz. :				
							„ Farm horses 20 1 9 3	3			
							„ Nag „ 1 10 0 4	4			
							„ Implements 8 2 4 20	20	29	14	1
							„ establishment, carpenter's work	28	10	6	3
							„ sundry payments, viz. :				
							„ Cows 1 0 6	6			
							„ Fattening cattle 3 9 8	8			
							„ Sheep .. 1 0 2 9	9			
							„ Establishment				
							„ (rats) .. 5 10 4 28	28	6	15	3
Nov. 30							„ food, 10 qrs. maize ..	21	13	8	0
							„ labour, wages	23	37	14	4
							„ harvest wages, viz. :				
							„ Barley 5 9 4 14	14			
							„ Oats .. 1 16 5 17	17			
							„ Wheat .. 3 12 11 16	16			
							„ fallow crops, coal for		10	18	8
							„ cultivating	12	7	5	10
							„ farm horses, service fees	2	6	6	0
							„ implements, fittings ..	20		4	0
							„ thatching, viz. :				
							„ Barley .. 5 10 1 14	14			
							„ Wheat .. 3 9 2 16	16			
							„ Oats .. 3 1 7 17	17			
									12	0	10
Forward			£1774	18	3		Forward		£850	4	1

The Cash-book is so straightforward and simple that the items for the most part explain themselves. Taking the receipts first, nothing occurs for comment until the item "Income tax repaid £9. 6s. 4d." is reached in July. This belongs in strictness to the previous year, but the claim was overlooked when balancing the previous year's books.

October—"Fire Insurance claim £2. 11s. 0d." This is for a binder cover accidentally burnt, and the amount is therefore credited to the Implement account.

November—"Cottage rents £7. 0s. 0d." These are paid by some of the men living on the farm, and are credited to the Rents, Rates and Taxes account.

January—"Skins." These are receipts for the carcasses of animals dead on the farm and are credited to the various accounts suffering the loss.

April—"Bank Interest £9. 6s. 3d." This is a payment by the Bank for the use of the farmer's cash balance during the year, and is credited to Establishment account.

Coming next to the payments, the item "petty expenses, 13s. 4d." in May is charged to Establishment account, as it is assumed that it cannot be analysed.

June—"Bank Charges £2. 11s. 0d." are also charged to Establishment account, as it would be unnecessary, even if possible, to attempt to apportion them.

July—"Foreman's wages £25. 0s. 0d." These are not charged to labour account as are ordinary wages, the reason being that the foreman, or bailiff, cannot account for his time throughout the day with such precision as to admit of analysis; his wages are accordingly charged to Establishment account.

August—The “Hail Insurance premium £7. 1s. 9d.” is divided between the crops according to acreage.

September—“Accident Insurance premium £3. 11s. 6d.” goes to increase the cost of labour and is therefore charged to the Labour account.

October—“Repairs to gates and fences £10. 6s. 3d.” cannot be allocated, and the item is accordingly charged to Establishment account.

February—Note that it is very important not to confuse the accounts of successive crops. Several items in this month’s records relate to the crops of the coming year and must not be included in the current year’s accounts for those crops.

April—“Thatch pegs £2. 2s. 0d.” This is a comparatively trifling item but it is as well to apportion it amongst the corn crop accounts in proportion to their acreage, or better still, to the number of stacks. Coal for threshing must be dealt with similarly.

The next stage is to post all the foregoing Journal and Cash-book entries into the Ledger in order of dates. In practice it is probable that both Journal and Cash-book transactions would be posted from day to day. The Ledger is ruled with money columns, the first page at an opening being the *debit* side, and the second page the *credit* side. To save space the debit and credit sides are here shown compressed on to one page. The first step is to “open accounts” in the Ledger for every department of the farm, by inscribing the name of each department at the top of a page. In this example the necessary accounts will be :

<i>General Accounts :</i>	<i>Live Stock Accounts :</i>	<i>Land Accounts :</i>
Capital	Farm Horses (Stock)	Fallow Crops
Implements	Farm Horses (Working)	Mangolds
Foods	Nag Horses	Barley
Dung	Young Horses	Clover (Seeds)
Artificial	Cows	Wheat
Labour	Store Cattle	Oats
Establishment	Fattening Cattle	Meadows
Rent, Rates and Taxes	Ewe flock	Pastures
	Pigs	
	Poultry	

The work of posting can then proceed. Taking the first Journal entry, "May 1st. Sundries Dr. to Capital £4793. 3s. 11d." the Capital account is *credited* with £4793. 3s. 11d. and each of the accounts composing the item "Sundries" is *debited* with its share. In the Capital account thus appears—"By Sundries £4793. 3s. 11d." on the credit side, whilst in the Farm Horses Stock account appears "To Capital £246. 0s. 0d." on the debit side, and so on through all the items. The use of the Ledger Folio column is now apparent, for in it is recorded the page, or folio, in the ledger where the various items are to be found. In the example given the *accounts* have been numbered in place of the folios, and in concerns where the accounts are comparatively few in number, there is no objection to the adoption of this alternative method of reference in actual practice. There are also folio columns in the ledger, and here the references are from one account to the other one concerned in the transaction. The posting is so simple that no further explanations should be needed, except in the case of the item "Cash £130. 18s. 4d." in hand on May 1st. This is not entered in the Ledger for it has already been entered in the Cash-book (see p. 98), which is nothing other than a Ledger account for cash

kept in a separate book on account of the multiplicity of the entries to be made in it.

The cash items are easily and quickly posted to the Ledger when this fact is remembered, for it is only necessary to carry each purchase and sale into its proper account and to the other side of it. Thus, taking the first item on the receipt side of the Cash-book—"May 31. To Ewe Flock, 8 lambs, £13. 16s. 6d."—cash being *debited* with value received, the Ewe Flock account must be credited with value surrendered, and there will be an entry accordingly, "May 31. By cash 8 lambs £13. 16s. 6d.," to be made in it. Similarly with payments, the item, "May 31. By Labour, wages £29. 9s. 0d.," on the *credit* side of the Cash-book appears as, "May 31. To Cash, wages £29. 9s. 0d.," on the *debit* side of the Labour account.

Broad Acre Farm. Capital Account. No. 1.

Date	Dr.	L.F.	£	s.	d.	Date	Cr.	L.F.	£	s.	d.
1907						1907					
						May 1.	By Sundry a/cs	..	..		
										4793	3 11

Farm Horses. Stock Account. No. 2.

Date	Dr.	L.F.	£	s.	d.	Date	Cr.	L.F.	£	s.	d.
1907						1907					
May 1	To <i>Capital</i>	..	1	246	0	Aug. 31	By cash, 2 horses	..	29	0	0
" 31	" cash, service expenses	..		7	6	Nov. 30	" " 1 mare	..	9	19	0
Sept. 30	" " service fee	..		3	3	0	1908				
Nov. 30	" " (2)	..		6	6	0	Jan. 31	" " skins	..	9	6

Farm Horses. Working Account. No. 3.

Date	Dr.	L.F.	£ s. d.	Date	Cr.	L.F.	£ s. d.
1907				1907			
May 31	To <i>Foods</i> ..	21	15 3 5				
June 30	" ..	21	15 16 5				
July 31	" ..	21	8 16 6				
	" cash, sundries ..		1 6				
Aug. 31	" <i>Foods</i> ..	21	6 16 9				
	" cash, vet. surgeon ..		6 4 6				
Sept. 30	" <i>Foods</i> ..	21	7 8 8				
	" cash, chaff cutting ..		3 0 0				
Oct. 31	" <i>Foods</i> ..	21	7 7 5				
	" cash, blacksmith $\frac{a}{c}$..		20 1 9				
Nov. 30	" <i>Foods</i> ..	21	14 19 2				
Dec. 31	" ..	21	14 8 4				
1908				1908			
Jan. 31	" cash, sundries ..		1 1 9	Jan. 31	By <i>Young horses</i> ..	5	7 10 0
	" <i>Foods</i> ..	21	14 19 7				
Feb. 29	" ..	21	18 1 5				
Mar. 31	" ..	21	8 1 0				
	" cash, harness ..		6 7 3				
April 30	" <i>Foods</i> ..	21	10 3 4				
	" cash, chaff cutting ..		3 7 6				
	" blacksmith ..		18 7 3				

Nag Horses Account. No. 4.

Date	Dr.	L.F.	£ s. d.	Date	Cr.	L.F.	£ s. d.
1907				1907			
May 1	To <i>Capital</i> ..	1	30 0 0				
" 31	" <i>Foods</i> ..	21	1 14 7				
June 30	" ..	21	2 8 6				
July 31	" ..	21	1 9 5				
Aug. 31	" ..	21	2 1 3				
Sept. 30	" ..	21	1 8 5				
Oct. 31	" ..	21	1 10 1				
	" cash, blacksmith		1 10 0				
Nov. 30	" <i>Foods</i> ..	21	2 7 8				
Dec. 31	" ..	21	2 7 8				
1908							
Jan. 31	" ..	21	2 7 8				
Feb. 29	" ..	21	2 19 7				
Mar. 31	" ..	21	1 14 8				
	" cash, harness		4 7 9				
April 30	" <i>Foods</i> ..	21	2 1 9				
	" cash, blacksmith		2 0 0				

Young Horses Account. No. 5.

Date	Dr.	L.F.	£	s.	d.	Date	Cr.	L.F.	£	s.	d.
1907						1907					
May 1	To capital ..	1	60	0	0						
Nov. 30	" foods ..	21	1	10	6						
	" labour ..	23			7						
Dec. 31	" foods ..	21	2	4	4						
	" labour ..	23		5	0						
1908						1908					
Jan. 31	" foods ..	21	1	19	0	Mar. 31	By cash, 3 horses ..	..	155	0	0
	" labour ..	23		1	3						
Feb. 29	" farm horses, working a/c ..	3	7	10	0						
	" foods ..	21	4	4	2						
	" labour ..	23		7	11						
Mar. 31	" foods ..	21	2	19	0						
	" labour ..	23		7	2						

Cows Account, No. 6.

Date	Dr.	L.F.	£	s.	d.	Date	Cr.	£	s.	d.	L.F.
1907						1907					
May 1	To capital	..	37	2	0	July 31	By cash, 10 cows	..	137	0	0
" 31	" foods	..	10	10	6	Aug. 31	" milk	..	2	11	9
	" labour	..	23	1	13	Oct. 31	" bull calves	..	12	0	0
June 30	" foods	..	21	5	18	Dec. 31	" store cattle	..	108	0	0
	" labour	..	23	2	3		" cash, milk	..	8	17	11
July 31	" foods	..	21	3	12	1908					
	" labour	..	23	1	0	Jan. 31	" "	..	4	18	0
	" cash, sundries	..	23	8	1		" skins	..	2	5	6
Aug. 31	" foods	..	21	5	16	7	" store cattle	..	12	0	0
	" labour	..	23	1	10	3	" cash, milk	..	16	5	4
	" cash, vet surgeon	..	21	4	17	0	" "	..	4	17	2
Sept. 30	" foods	..	21	4	10	1					
	" labour	..	23	16	9						
Oct. 31	" foods	..	21	5	7	0					
	" labour	..	23	18	3						
	" cash, sundries	..	21	1	0						
Nov. 30	" foods	..	21	8	9	3					
	" labour	..	23	1	14	9					
Dec. 31	" foods	..	21	9	4	4					
	" labour	..	23	2	7	9					
	" cash, bull	..	21	21	0	0					
1908											
Jan. 31	" foods	..	21	9	4	4					
	" labour	..	23	2	8	9					
	" cash, 2 cows	..	23	36	0	0					
	" sundries	..	21	19	6						
Feb. 29	" foods	..	21	14	3	9					
	" labour	..	23	2	19	6					
Mar. 31	" foods	..	21	7	4	6					
	" labour	..	23	1	13	7					
April 30	" foods	..	21	10	19	7					
	" labour	..	23	1	19	6					

Store Cattle Account. No. 7.

Cr.	Date	Dr.	L.F.	£	s.	d.	Date	Cr.	L.F.	£	s.	d.
	1907						1907					
	May 1	To capital	1	458	10	0	Oct 31	By fattening cattle	..	..	8	0
	" 31	" foods	21	12	2	0	Dec. 31	" "	..	..	8	0
		" labour	23	1	14	3					17	0
	June 30	" foods	21	4	8	4	1908					
	July 31	" labour	23	2	1	3	Jan. 31	" cash, skins	..	..	8	0
		" foods	21	9	9			" " 8 yearlings	..	..	82	0
	Aug. 31	" labour	23	2	3			" " 8 two-yr.-olds	..	..	136	0
		" foods	21	2	6	10						
		" labour	23	10	9							
		" cash, vet. surgeon	..	2	12	0						
	Sept. 30	" foods	21	3	6	4						
		" labour	23	10	3							
	Oct. 31	" foods	21	3	9	4						
		" labour	23	10	9							
	Nov. 30	" foods	21	10	2	11						
		" labour	23	1	13	6						
	Dec. 31	" foods	21	27	7	5						
		" labour	23	3	1	0						
		" cows	6	108	0	0						
	1908											
	Jan. 31	" foods	21	27	6	2						
		" labour	23	2	12	0						
	Feb. 29	" foods	21	39	13	4						
		" labour	23	2	11	0						
		" cows	6	12	0	0						
	Mar. 31	" foods	21	21	5	3						
		" labour	23	1	8	6						
	April 30	" foods	21	19	10	6						
		" labour	23	1	5	3						

Ewe Flock Account. No. 9.

Date	Dr.	L.F.	£	s.	d.	Date	Cr.	£	s.	d.
1907						1907				
May 1	To capital ..	1	1279	17	6	May 31	By cash, 8 lambs ..	13	16	6
" 31	" foods ..	21	12	14	8	" "	" " 6 ewes ..	17	8	6
	" labour ..	23	4	10	8	" "	" " wool locks ..	8	4	6
June 30	" foods ..	21	5	10	10	" "	" " 18 lambs ..	39	16	4
	" labour ..	23	5	13	3	" "	" " 10 ewes ..	22	18	6
July 31	" foods ..	21	4	11	0	" "	" " 1 ram ..	2	9	6
	" labour ..	23	3	8	3	" "	" " 14 lambs ..	27	4	9
	" cash, sundries ..		3	9	3	" "	" " 35 ewes ..	89	15	8
Aug. 31	" foods ..	21	11	14	8	Aug. 31	" " 10 lambs ..	19	19	0
	" labour ..	23	3	16	5	" "	" " 16 ewes ..	41	9	7
	" cash, sheep-dip ..		2	5	9	" "	" " wool ..	206	10	0
Sept. 30	" foods ..	21	6	12	8	Sept. 30	" " 30 lambs ..	75	5	1
	" labour ..	23	2	16	7	" "	" " draught lambs ..	428	12	6
	" cash, 2 rams ..		12	12	0	" "	" " ewes ..	101	17	6
	" carriage ..		4	6	6	Oct. 31	" " 59 lambs ..	91	3	0
Oct. 31	" foods ..	21	2	8	6	Nov. 30	" " 15 ewes ..	40	0	0
	" labour ..	23	2	17	0					
	" cash, sundries ..		1	0	2	1908				
Nov. 30	" foods ..	21	2	19	0	Jan. 31	" " skins ..	11	10	6
	" labour ..	23	3	18	6	Mar. 31	" " 2 sheep ..	4	10	0
Dec. 31	" foods ..	21	6	17	1					
	" labour ..	23	5	3	8					
1908										
Jan. 31	" foods ..	21	5	12	1					
	" labour ..	23	2	11	2					
	" cash, sundries ..		2	10	1					
Feb. 29	" foods ..	21	11	15	8					
	" labour ..	23	7	10	1					
	" cash, sheep-dip ..		3	15	0					
Mar. 31	" foods ..	21	4	7	5					
	" labour ..	23	6	18	1					
	" foods ..	21	5	7	3					
April 30	" labour ..	23	6	15	9					
	" cash, lambing oil ..		1	8	0					
	" " repairs to nets ..		4	10	0					

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Pigs Account. No. 10.

Date	Dr.	L.F.	£	s.	d.	Date	C%.	L.F.	£	s.	d.
1907						1907					
May 1	To capital ..	1	27	0	0	Aug 31	By cash, 1 boar ..	..	3	17	8
" 31	" foods ..	21	2	6	4						
" "	" labour ..	23	4	0							
June 30	" foods ..	21	3	2	4	1908			28	4	8
" "	" labour ..	23	5	0		Jan. 31	" cash, 6 pigs ..	..	9	0	0
July 31	" foods ..	21	3	2	4	Feb. 29	" labour ..	..	18	10	0
" "	" labour ..	23	4	0			" " 2 pigs ..	..	8	4	6
Aug. 31	" foods ..	21	4	2	7	April 30	" cash, 8 " ..	..	48	7	6
" "	" labour ..	23	5	0							
Sept. 30	" foods ..	21	3	5	0						
" "	" labour ..	23	4	0							
Oct. 31	" foods ..	21	3	5	0						
" "	" labour ..	23	4	0							
Nov. 30	" foods ..	21	4	12	3						
" "	" labour ..	23	5	0							
Dec. 31	" foods ..	21	2	8	4						
" "	" labour ..	23	5	0							
1908	" cash, 14 pigs @ 19s. 6d.		13	13	0						
Jan. 31	" foods ..	21	1	11	9						
" "	" labour ..	23	6	0							
Feb. 29	" foods ..	21	2	7	6						
" "	" labour ..	23	6	9							
Mar. 31	" foods ..	21	1	1	0						
" "	" labour ..	23	3	6							
April 30	" cash, 12 stores @ 20s.		12	0	0						
" "	" foods ..	21	12	6							
" "	" labour ..	23	3	6							

Poultry Account. No. 11.

Date	Dr.	L.F.	£ s. d.	Date	Cr.	L.F.	£ s. d.
1907				1907			
May 1	To capital ..	1	9 9 0	May 31	By cash, eggs, etc...	..	1 11 10
" 31	" foods ..	21	19 4	July 31	" "	..	1 4 1
June 30	" ..	21	1 5 10	Aug. 31	" "	..	8 2
July 31	" ..	21	19 7	Sept. 30	" "	..	2 19 2
Oct. 31	" ..	21	1 9	Oct. 31	" "	..	6 3 8
	" cash, food ..	..	5 5 6				
Nov. 30	" foods ..	21	1 3 1	1908			
Dec. 31	" "	21	1 0 0	Jan 31	" "	..	6 0
				Feb. 29	" 40 turkeys	..	21 12 9
1908				Mar. 31	" eggs, etc.	..	4 0
Jan. 31	" ..	21	19 10	" "	" "	..	14 1
Feb. 29	" ..	21	1 2 0				
Mar. 31	" ..	21	3 2 9				
	" cash, food ..	..	7 3				
April 30	" foods ..	21					

Fallow Crops, 1907, Account. No. 12.

Date	Dr.	L.F.	£ s. d.	Date	Cr.	L.F.	£ s. d.
1907				1907			
May 1	To capital	1	60 0 0				
" 31	" labour	23	12 11 10				
June 30	" " " "	23	15 15 2				
	" cash, swede seed ..		1 19 11				
July 31	" labour	23	6 11 3				
	" cash, sundries ..		6 9				
Aug. 31	" " beer		7 0				
Oct. 31	" " turnip seed ..		7 8				
	" " coal		2 15 1				
Nov. 30	" " " "		7 5 10				
1908				1908			
Feb. 29	" " turnip seed ..		3 1 1	Jan. 31	By cash, potatoes ..		2 0 0
April 30	" " artificials ..	35	23 4 0	April 30	" " " " ..		16 0

Mangolds, 1907, Account. No. 13.

Date	Dr.	L.F.	£	s.	d.	Date	Cr.	L.F.	£	s.
1907						1907				
May 1	To capital ..	1	21	0	0					
" 31	" labour ..	23	3	10	0					
	" cash, seed ..		4	11	8					
June 30	" labour ..	23	1	5	0					
July 31	" " ..	23	1	17	6					
Dec. 31	" " ..	23	1	5	0					
1908										
April 30	" artificials ..	35	17	0						

Barley, 1907, Account. No. 14.

Date	Dr.	L.F.	£	s.	d.	Date	Cr.	L.F.	£	s.	d.
1907						1907					
May 1	To capital ..	1	249	10	0	Dec. 31	By cash, 30 qrs. @ 27s. 6d.		41	5	0
June 30	" labour ..	23	7	10	4						
Aug. 31	" " hail insurance ..	23	37	10	5	1908					
	" cash, hail insurance ..		3	10	10	Jan 31	" 30 qrs. @ 27s. 6d.		41	5	0
Sept. 30	" labour ..	23	19	9	4	Feb. 29	" 132 qrs. @ 28s. 6d.		188	2	0
Nov. 30	" cash, harvest wages ..		5	9	4	Mar. 31	" 46 qrs. @ 29s. 6d.		67	17	0
	" cash, thatching ..		5	10	1						
Dec. 31	" labour ..	23	5	0	0						
1908											
Jan. 31	" " thatch pegs ..	23	2	2	9						
April 30	" cash, threshing ..		1	0	0						
	" " threshing ..		23	15	0						
	" " coal ..		3	15	6						

Clover Seeds, 1907, Account. No. 15.

Date	Dr.	L.F.	£	s.	d.	Date	Cr.	L.F.	£	s.	d.
1907						1907					
May 1	To capital ..	..	1	66	0 0						
July 31	" labour ..	..	23	14	2 5						
Aug. 31	" cash, beer ..	..			16 6						

Wheat, 1907, Account. No. 16.

Date	Dr.	L.F.	£	s.	d.	Date	Cr.	L.F.	£	s.	d.
1907						1907					
May 1	To capital ..	..	1	298	0 0	Nov. 30	By cash, 12 qrs. @ 40s. ..		24	0 0	
June 30	" labour ..	..	23	5	4 6						
Aug. 31	" labour ..	..	23	26	3 7	1908					
	cash, hail insurance ..	..		2	7 4	Jan. 31	" 130 qrs. @ 37s. 6d.		243	15 0	
Sept. 30	" labour ..	..	23	13	9 2	Feb. 29	" 1 ton straw ..		2	0 0	
Nov. 30	cash, harvest wages ..	..		3	12 11		" 43 qrs. @ 30s. ..		64	10 0	
	" thatching ..	..		3	9 2	Mar. 31	" 61 qrs. @ 31s. 6d.		96	1 6	
Dec. 31	" labour ..	..		4	3 0	April 30	" 138 qrs. @ 33s. ..		227	4 0	
1908											
Jan. 31	" cash, thatch pegs ..	..	23	2	2 9						
April 30	" " threshing.. ..	..		16	12 4						
	" " coal ..	..		2	12 4						

Oats, 1907, Account. No. 17.

Date	Dr.	L.F.	£	s.	d.	Date	Cr.	L.F.	£	s.	d.
1907						1907					
May 1	To capital	1	150	0	0						
June 30	„ labour	23	3	5	0						
Aug 31	„ „ „	23	12	12	3						
	„ cash, hail insurance ..		1	3	7						
Sept. 30	„ labour	23	6	10	2						
Nov. 30	„ cash, harvest wages ..		1	16	5						
	„ „ thatching		3	1	7						
Dec. 31	„ labour	23	2	2	0						
1908						1908					
Jan. 31	„ „	23	1	1	0	Jan. 31	By cash, 48 qrs. @ 19s. ..		42	15	0
April 30	„ cash, thatch pegs ..		10	0	0	Feb. 29	„ „ 4½ qrs. @ 20s. ..		4	10	0
	„ „ threshing		11	17	5						
	„ „ coal		1	18	7						

Meadows, 1907, Account. No. 18.

Date	Dr.	L.F.	£ s. d.	Date	Cr.	L.F.	£ s. d.
1907				1907			
May 1	To capital ..	1	3 0 0				
31	" labour ..	23	14 6				
July 31	" ..	23	10 7 6				
Aug. 31	" ..	23	12 12 0				
	" cash, beer ..		5 0	1908			
				March 31	By cash, 1 ton hay ..		4 10 0

Pastures, 1907, Account. No. 19.

Date	Dr.	L.F.	£ s. d.	Date	Cr.	L.F.	£ s. d.
1907				1907			
May 1	To capital ..	1	40 8 10				
Sept. 30	" labour ..	23	2 6 8				

Implements Account. No. 20.

Date	Dr.	L.F.	£	s.	d.	Date	Cr.	L.F.	£	s.	d.
1907						1907					
May 1	To capital	1	477	0	6	Oct. 31	By cash, fire claim	..	2	11	0
June 30	" cash, manure distributor		22	16	0						
	" " plough fittings		3	7	0						
July 31	" " sundries ..		11	10		1908					
Oct. 31	" " binder ..		25	0	0	Feb. 29	" " sundries sold	..	23	10	0
	" " sheaf carrier		1	10	0						
	" " petroleum		4	10	0						
	" " blacksmith		8	2	4						
Nov. 30	" " fittings ..		4	0							
Dec. 31	" " labour ..	23	2	4							
1908											
Jan. 31	" cash, engine repairs		5	9	7						
Feb. 29	" " inspection		1	2	8						
	" " oil		12	6							
Mar. 31	" " parts		23	6	3						
April 30	" " blacksmith		3	9	7						

Foods Account. No. 21.

Date	Dr.	L.F.	£	s.	d.	Date	Cr.	L.F.	£	s.	d.
1907						1907					
May 1	To capital ..	1	288	9	9	May 31	By sundries	..	62	13	6
" 31	" labour ..	23	2	1	2	June 30	" "	..	48	14	8
June 30	" " " " " "	23	1	11	6	July 31	" "	..	31	2	1
	" cash, 4 tons linseed cake	..	32	0	0	Aug. 31	" "	..	44	7	5
	" " 2 tons meal ..	..	10	0	0		" cash, 3 qrs. oats	..	3	0	0
	" " cotton seed meal ..	..	28	12	0	Sept. 30	" sundries	..	35	14	3
July 31	" malt culms ..	23	17	0	0	Oct. 31	" "	..	30	13	1
	" cash, sundries ..	..	3	7		Nov. 30	" "	..	85	15	9
Aug. 31	" labour ..	23	2	1		Dec. 31	" "	..	97	8	4
Sept. 30	" " " " " "	23	2	9							
Oct. 31	" cash, 2 tons cotton cake	23	16	3	2	1908					
Nov. 30	" labour ..	23	12	9		Jan. 31	" sundries	..	97	19	5
	" cash, 10 qrs. maize ..	..	13	8	0	Feb. 29	" "	..	111	3	2
Dec. 31	" labour ..	23	32	9	6	Mar. 31	" "	..	53	14	8
	" cash, 4 tons linseed cake	..	31	8	3	April 30	" "	..	49	2	2
	" " 4 tons dec. cotton	..	21	19	3						
	" " 4 tons undec. cotton	..	10	10	0						
	" " 2 tons molascuit ..	..									
1908											
Jan. 31	" labour ..	23	9	6							
Feb. 29	" " " " " "	23	3	2							
Mar. 31	" " " " " "	23	12	2							
	" cash, 1 ton bran ..	..	7	13	6						
	" " 1 ton linseed cake	..	9	5	0						
April 30	" labour ..	23	9	5	0						
	" cash, 1 ton linseed cake	..	9	5	0						
	" " 2 tons bran ..	..	12	12	6						

Dung Account. No. 22.

Date	Dr.	L.F.	£ s. d.	Date	Cr.	L.F.	£ s. d.
1907				1908			
May 1	To capital	1	106 9 6	April 30	By wheat, 1908 ..	30	106 9 6

Labour Account. No. 23.

Date	Dr.	L.F.	£ s. d.	Date	Cr.	L.F.	£ s. d.
1907				1907			
May 31	To cash, wages		29 9 0	May 31	By sundries ..		31 11 10
June 30	" " waggoners' board ..		3 3 2	June 30	" " " " ..		52 8 8
July 31	" " wages		53 2 2	July 31	" " " " ..		44 6 9
	" " " "		35 12 6	Aug. 31	" " " " ..		98 1 1
	" " waggoners' board ..		16 0 0	Sept. 30	" " " " ..		49 19 2
Aug. 31	" " wages		74 7 11	Oct. 31	" " " " ..		51 7 6
	" " board of man ..		10 0	Nov. 30	" " " " ..		47 9 6
Sept. 30	" " accident insurance ..		3 11 6	Dec. 31	" " " " ..		46 7 5
	" " wages		14 19 6	1908			
Oct. 31	" " " "		42 13 4	Jan. 31	" " " " ..		35 13 1
Nov. 30	" " " "		37 14 4	Feb. 29	" " " " ..		42 9 1
Dec. 31	" " " "		36 19 2	Mar. 31	" " " " ..		37 4 10
1908				April 30	" " " " ..		45 9 7
Jan. 31	" " " "		31 14 1				
Feb. 29	" " pigs, for shepherd ..	10	9 0 0				
	" " men	10	18 10 0				
	" " cash, wages		41 0 4				
	" " " "		12 8 0				
Mar. 31	" " waggoners' wages ..		25 19 6				
April 30	" " " "		24 12 9				
	" " " "		71 1 3				
	" " waggoners' board ..						

Bull Calves Account. No. 24.

Date	Dr.	L.F.	£ s. d.	Date	Cr.	L.F.	£ s. d.
1907				1907			
Oct. 31	To cows	6	12 0 0				
Nov. 30	" foods	21	1 8 1				
	" labour	23	7 6				
Dec. 31	" foods	21	1 5 0				
	" labour	23	4 11				
1908				1908			
Jan. 31	" foods	21	1 11 6	Mar. 31	By cash, 2 bulls	..	50 15 0
	" labour	23	5 3				
	" cash, registration fee		4 0				
Feb. 29	" foods	21	3 13 4				
	" labour	23	7 0				
Mar. 31	" foods	21	1 17 0				
	" labour	23	8 11				

Fallow Crops, 1908, Account. No. 25.

Date	Dr.	L.F.	£ s. d.	Date	Cr.	L.F.	£ s. d.
1908				1908			
Jan. 31 To labour	..	23	15 0 11				
Feb. 29 "	..	23	7 6 2				
Mar. 31 "	..	23	10 9 6				
April 30 "	..	23	21 19 7				

Mangolds, 1908, Account. No. 26.

Date	Dr.	L.F.	£ s. d.	Date	Cr.	L.F.	£ s. d.
1908				1908			
Jan. 31 To labour	..	23	3 10 0				
April 30 "	..	23	3 10 0				

Meadows, 1908, Account. No. 27.

Date	Dr.	L.F.	£ s. d.	Date	Cr.	L.F.	£ s. d.
1908				1908			
April 30 To labour	..	23	18 0				

Establishment Account. No. 28.

Date	Dr.	L.F.	£ s. d.	Date	Cr.	L.F.	£ s. d.
1907				1907			
May 31	To labour	23	1 5 5				
	" cash, sundries		13 4				
June 30	" labour	23	2 12 8				
	" cash, bank charges		2 11 0				
July 31	" labour	23	2 15 2				
	" cash, foreman's wages		25 0 0				
	" sundries		9 0 0				
Aug. 31	" labour	23	3 2 5				
	" cash, rat poison		7 6				
Sept. 30	" labour	23	2 1 2				
Oct. 31	"	23	3 3 3				
	" cash, foreman's wages		25 0 0				
	" .. coal		1 17 0				
	" .. carpenter		10 6 3				
	" .. for rats		5 10 4				
Nov. 30	" labour	23	5 2 1				
Dec. 31	"	23	6 3 9				
	" cash, bank charges		8 2 3				
1908				1908			
Jan. 31	" labour	23	1 5 5	April 30	By cash, bank interest ..	..	9 6 3
	" cash, foreman's wages		25 0 0				
	" sundries		5 14 2				
Feb. 29	" labour	23	3 15 5				
Mar. 31	"	23	1 11 11				
April 30	"	23	1 4 3				
	" cash, foreman's wages		25 0 0				

Barley, 1908, Account. No. 29.

Date	Dr.	L.F.	£ s. d.	Date	Cr.	L.F.	£ s. d.
1907				1908			
Nov. 30	To labour ..	23	15 14 3				
Dec. 31	" " ..	23	9 3 8				
1908							
Feb. 29	" " ..	23	10 19 3				
Mar. 31	" " ..	23	7 14 6				

Wheat, 1908, Account. No. 30.

Date	Dr.	L.F.	£ s. d.	Date	Cr.	L.F.	£ s. d.
1907				1908			
Oct. 31	To labour ..	23	41 3 1				
Nov. 30	" " ..	23	5 10 9				
1908							
Feb. 29	" cash, cultivating ..		30 12 10				
	" " seed dressing ..		16 6				
	" " coal ..		5 2 8				
April 30	" dung ..	22	106 9 6				
	" artificials ..	35	46 0 0				

Oats, 1908, Account. No. 31.

Date	Dr.	L.F.	£ s. d.	Date	Cr.	L.F.	£ s. d.
1907				1908			
Nov. 30	To labour ..	..	23 10 3 6				
Dec. 31	„ „ ..	..	23 2 10 9				
1908							
Feb. 28	„ „ ..	23	3 13 1				
	„ cash, steam cultivation		15 6 5				
	„ „ coal ..	..	2 11 4				
Mar. 31	„ labour ..	23	4 14 0				

Pastures, 1908, Account. No. 32.

Date	Dr.	L.F.	£ s. d.	Date	Cr.	L.F.	£ s. d.
1907				1908			
Dec. 31	To labour ..	..	23 18 3				
1908							
April 30	„ „ ..	23	7 10 0				

Rent, Rates and Taxes Account. No. 33.

Date	Dr.	L.F.	£ s. d.	Date	Cr.	L.F.	£ s. d.
1907				1907			
May 31	To cash, rates	..	20 16 5	July 31	By cash, income tax repaid		9 6 4
July 31	" "	..	13 7	Nov. 30	" " cottage rents	..	7 0 0
Nov. 30	" "	..	17 0 8	1908			
1908				April 30	" " "	..	7 0 0
Jan. 31	" " rent	..	550 0 0				
" "	" " income tax	..	10 16 0				

Clover Seeds, 1908, Account. No. 34.

Date	Dr.	L.F.	£ s. d.	Date	Cr.	L.F.	£ s. d.
1907				1908			
May 31	To cash, seed	..	21 7 4				

Artificial Manures Account. No. 35.

Date	Dr.	L.F.	£ s. d.	Date	Cr.	L.F.	£ s. d.
1907				1908			
June 30	To cash, 8 tons super.	..	21 18 0	April 30	By wheat, 1908	..	30 46 0
" "	" " 4 tons salt	..	3 8 0	" "	" fallows, 1907	..	12 23 4
" "	" " 8 tons nitrate of soda	..	92 0 0	" "	" mangolds, 1907	..	13 17 0
Oct. 31	" " carriage of super.	..	1 6 0				

CHAPTER VI

CLOSING THE ACCOUNTS

THE way is now clear for making the final apportionments of charges and costs, and for closing the year's accounts. Care and forethought must be exercised at this stage to prevent confusion.

The first thing to be done is to charge interest on the capital invested in the various departments of the farm. It will readily be admitted that before stating the true profit on any enterprise something must be allowed for the use of the money employed in securing the profit, so that the individual may know how much advantage he has secured by his enterprise over and above the return which might reasonably be expected on capital invested through the ordinary channels. Equally, in the determination of cost no calculation is complete which does not include an allowance for the use of the capital required in the production. In commercial book-keeping it is not usual to reckon interest and other general charges under the heading of cost, but they appear as losses in the Profit and Loss account. This is justified by commercial cost-accountants upon the ground that these matters do not fluctuate with the volume of business: "A large increase in the value of orders received would not necessitate a like augmentation of the office staff, nor would a sudden and serious falling off in trade enable a firm to effect an immediate or proportionate reduction of general expenditure¹."

¹ Garcke and Fells, *Factory Accounts*, p. 93.

The farmer's production, however, is not dependent on orders received but goes steadily on through the seasons, so that the interest on capital invested and likewise the general expenses will be found to vary very closely with the volume of business, and the distribution of them over the farm departments may very properly be undertaken. The interest may be calculated on the original capital, that is to say, on the amount invested in each department at the beginning of the financial year, and this is the general practice of the German and Swiss authorities. At the same time they point out, and in certain cases they recommend, that in strictness an attempt should be made to calculate the *average* amount of capital used in each department throughout the year¹. Thus, the capital invested in cattle may be changed into cash and back again into cattle more than once during the year, but probably the extra amount of accuracy secured by following out all these transactions would be quite incommensurate with the amount of time and trouble entailed, and no great inaccuracy will follow the simple plan of dealing with the initial capital only. As to the rate of interest, the continental farm accountants recommend that the rate should be varied with the risk. They point out, for example, that the risk connected with implements is less than that connected with cattle, for whilst a proper allowance for depreciation, coupled with a policy of insurance against fire, will protect the capital in the former, the money invested in the latter is liable to loss through additional risks from disease, accidents, and fluctuations in market

¹ See, for example, Dr E. Laur, *Grundlagen und Methoden der Bewertung, Buchhaltung und Kalkulation in der Landwirtschaft*, pp. 111-119.

prices. The Swiss Board of Agriculture assigns interest charges at the following rates on the capital invested in peasant farming¹.

	per cent.		per cent.
Land	3·5	Machines	4·5
Buildings	4	Fruit trees	5
Improvements	4	Cattle	5
Forestry	4	Current cash	6
Vines	4·5		

Allowing for the proportion of capital invested under each of these heads, the average rate of interest on the whole capital comes to 4·07 per cent.

It is open to anyone to follow out this system of interest calculation. At the same time, the ordinary individual with money to invest would probably be contented with a return of 4—5 per cent., so that in arriving at the true cost of production, or the true profit to the farmer on any one of his departments, it may be quite sufficient to charge interest at a uniform rate on the capital invested, without any attempt to assess the risks in the different sections of the enterprise.

Returning to the example under consideration, it was decided to charge interest at the rate of 5 per cent., and the sums chargeable against the various departments (see p. 61) are therefore :

	£	s.	d.
Farm Horses	12	6	0
Nag Horses	1	10	0
Young Horses	3	0	0
Cows	18	12	0
Store Cattle	22	18	6
Fatting Cattle	20	19	6
Ewe Flock	63	19	9
Pigs	1	7	0
Poultry	9	6	

Forward 145 2 3

¹ Laur, *op. cit.*

	<i>Forward</i>	145	2	3
Fallow Crops		3	0	0
Mangolds		1	1	0
Barley		12	9	6
Clover		3	3	0
Wheat		14	18	0
Oats		7	10	0
Meadows.. ..		3	0	
Pastures		2	0	6
Implements		23	17	0
Foods		14	8	6
Dung		5	6	6
Establishment		6	11	0
		£239	10	3

The item £6. 11s. 0*d.* charged against Establishment represents 5 per cent. on the cash in hand at the beginning of the year. This cash is held for the use of any and all of the farm departments as occasion arises, and the interest due by it is therefore chargeable against the General Charges or Establishment account.

These items must now be journalised, and as the accounts concerned owe the various amounts to the farmer by way of interest on his investment of capital, they are, of course, *debtor* to his Private Account (see p. 193):

	<i>Dr.</i>			<i>Cr.</i>		
	£	s.	d.	£	s.	d.
Sundry Accounts, Dr., viz. :						
Farm Horses (2)	12	6	0			
Nag Horses (4)	1	10	0			
Young Horses (5)	3	0	0			
Cows (6)	18	12	0			
Store Cattle (7)	22	18	6			
Fattening Cattle (8)	20	19	6			
Ewe Flock (9)	63	19	9			
Pigs (10)	1	7	0			
Poultry (11)		9	6			
Fallow Crops (12)	3	0	0			
Mangolds (13)	1	1	0			
Barley (14)	12	9	6			
Clover (15)	3	3	0			
Wheat (16)	14	18	0			
Oats (17).. ..	7	10	0			
<i>Forward</i>	187	3	9			

	<i>Forward</i>	187	3	9
Meadows (18)	.. ..		3	0
Pastures (19)	.. ..		2	0
Implements (20)	.. ..	23	17	0
Foods (21)	.. ..	14	8	6
Dung (22)	.. ..	5	6	6
Establishment (28)	.. ..	6	11	0
To Private Account (36)				
being one year's inter-				
est on Capital at 5 per				
cent.			239	10 3

The various sums are then posted to their respective Ledger accounts (see pp. 159—183).

The next account to be dealt with is No. 33, “Rents, Rates and Taxes” (see p. 188). The account shows a balance of £576. 0s. 4*d.*, and this sum must be apportioned to the various land accounts. Considering the qualities of the farm it was decided that the grass-land was worth half as much again as the arable land, and as there are 264 acres of grass and 500 acres of plough, a simple calculation will show that the rent, etc. must be divided as follows :

			£	s.	d.
Grass land	.. ..	..	254	10	3
Arable land	.. ..	..	321	10	1
			£576	0	4

These amounts have now to be divided between the various crops, etc. according to acreage, and the following is the result :

			£	s.	d.
250 a. pasture	.. ..	..	241	0	3
14 a. meadow	.. ..	..	13	10	0
113 a. fallows	.. ..	..	75	13	1
7 a. mangolds	.. ..	..	4	14	6
120 a. barley	.. ..	..	80	7	6
120 a. seeds	.. ..	..	80	7	6
80 a. wheat	.. ..	..	53	11	8
40 a. oats	.. ..	..	26	15	10
			£576	0	4

An entry in the Journal is now made to record the apportionment and to give it effect in the various accounts, these being *debited* with their shares of the rent, etc.—and the Rent, etc. account being *credited* :

	<i>Dr.</i>			<i>Cr.</i>		
	£	s.	d.	£	s.	d.
Sundry Accounts, <i>Dr.</i> , viz.:						
Pastures (19)	241	0	3			
Meadows (18)	13	10	0			
Fallow Crops, 1907 (12)..	75	13	1			
Mangolds „ (13)..	4	14	6			
Barley „ (14)..	80	7	6			
Seeds „ (15)..	80	7	6			
Wheat „ (16)..	53	11	8			
Oats „ (17)..	26	15	10			
To Rent, etc. (33) being one year's rent, rates, etc.				576	0	4

These items must then be posted into the Ledger.

Next in order comes the Pastures, 1907, Account, No. 19 (see p. 176). The cost of the grazing has to be shared amongst the various classes of live stock supported on it. The account as it now stands after charging interest on capital, and rent, shows the whole cost for the year, namely £285. 16s. 3d. and a reference to the notes on p. 75 shows that it sustained an average of 300 ewes, 20 cows with calves, 33 store cattle, 25 fattening cattle and 18 horses ; three of the horses are young horses, and two of them nag horses. Some method of reducing these various classes of stock to a common denomination must be adopted, and the simplest and possibly, too, the most accurate way is to find an equivalent in sheep. In the case under consideration it was decided that :

- 1 Cow equalled 6 sheep
- 1 Store beast equalled 4 sheep
- 1 Fattening beast equalled 6 sheep
- 1 Horse equalled 8 sheep

Applying these figures, the cost of grazing will be apportioned thus :

			£	s.	d.
Sheep	300 parts, equivalent to		101	8	0
Cows	120 " "		40	11	5
Store Cattle ..	132 " "		44	11	6
Fattening Cattle ..	150 " "		50	14	0
Working Horses ..	104 " "		35	2	9
Nag " "	16 " "		5	7	7
Young " "	24 " "		8	1	0
		846	£285	16	3

All these items are now journalised :

	Dr.	Cr.
	£ s. d.	£ s. d.
Sundry Accounts, Dr., viz. :		
Sheep (9)	101 8 0	
Cows (6)	40 11 5	
Store Cattle (7) ..	44 11 6	
Fattening Cattle (8) ..	50 14 0	
Working Horses (3) ..	35 2 9	
Nag " (4)	5 7 7	
Young " (5)	8 1 0	
To Pastures (19) being cost of one year's grazing		285 16 3

They are then posted to their respective accounts in the Ledger.

Before passing from the question of the cost of pasturage, reference should be made to an apparent difficulty which sometimes seems to arise in calculations of cost, but which has not presented itself in the example given. It may happen that the horses have been employed upon the grass-land on operations such as rolling or harrowing, making it necessary to know the cost of the horse-labour in order to calculate the cost of the grazing, whilst at the same time it would appear to be impossible to get at the cost of the horse-labour until the value of the pasturage is known. The same point may present itself in connection with the

oat and hay crops. This difficulty largely disappears when it is remembered that in most cases it is the foods of the previous year that are fed to the horses, and presumably the cost or prices of them are known, but where the horse-work has been done with the aid of foods grown on the farm within the same financial year, the farmer must charge for these the average cost of production as ascertained during previous years. When starting accounts for the first time, an estimate of cost must of course be made (in the probable absence of any reliable local data), but the errors due to this will be rectified as years go by, and the real cost will emerge.

It is now at once possible and necessary to find out the cost of the horse-labour, and to distribute it. The Account, No. 3 (see p. 160), is complete as regards costs except for a charge for depreciation. The depreciation on aged horses may be put at £3 or £4 per annum (see p. 13), and if the horses working on the farm were all of them aged, it would be sufficient to debit the Working account and to credit the Stock account (No. 2) with this amount per head. But even though some or all of the horses be young ones, appreciating in value instead of depreciating, credit is still due by the working account to the stock account at the same rate, otherwise the profit accruing to the farmer for his skill in the management of his horses will not appear as such, but will go to reduce fictitiously the cost of horse-work. Obviously the cost of ploughing an acre should be the same whether performed by young horses or old ones, other things being equal. In this case there are 13 horses, and the entry made in the Journal will run :

Closing the Accounts

	<i>Dr.</i>			<i>Cr.</i>		
	£	s.	d.	£	s.	d.
Farm Horses, Working account (3) Dr.	39	0	0			
To Farm Horses, Stock account (2) being depreciation on 13 horses at £3 ..				39	0	0

When this has been posted to the Ledger, the Horses Working Account is balanced, and the cost of the horse-labour for the year emerges, namely £267. 6s. 3d. This is apportioned over the various accounts concerned, according to the number of days work done for each (see p. 74) :

				£	s.	d.
Sheep	94 days, equivalent to			6	12	3
Fallows, 1907	285 "	"	"	20	3	1
Mangolds	15 "	"	"	1	1	1
Barley, 1907	302 "	"	"	21	7	0
Clover, 1907	77 "	"	"	5	8	4
Wheat, 1907	223 "	"	"	15	3	10
Oats, 1907	111 "	"	"	7	11	11
Meadows, 1907	35 "	"	"	2	9	3
Foods	170 "	"	"	11	19	2
Fallows, 1908	720 "	"	"	52	18	4
Mangolds, 1908	92 "	"	"	6	9	6
Meadows, 1908	12 "	"	"	17	0	
Establishment	34 "	"	"	2	7	10
Barley, 1908	562 "	"	"	39	14	0
Wheat, 1908	628 "	"	"	44	6	9
Oats, 1908	274 "	"	"	19	5	7
Pastures, 1908	112 "	"	"	7	17	7
Seeds, 1908	24 "	"	"	1	13	9
	<u>3770</u>			<u>£267</u>	<u>6</u>	<u>3</u>

Once again it is necessary to journalise and then to post the apportionments, the horse-labour account being credited with the total and the other accounts debited each with its share :

	<i>Dr.</i>			<i>Cr.</i>		
	£	s.	d.	£	s.	d.
Sundry Accounts, Dr., viz. :						
Sheep (9)				6	12	3
Fallows, 1907 (12)				20	3	1
Mangolds, 1907 (13)				1	1	1
Barley, 1907 (14)				21	7	0
<i>Forward</i>	49	3	5			

		<i>Forward</i>	49	3	5
Clover, 1907 (15)	..	..	5	8	4
Wheat, 1907 (16)	..	..	15	3	10
Oats, 1907 (17)	..	..	7	11	11
Meadows, 1907 (18)	..	..	2	9	3
Foods (21)	..	..	11	19	2
Fallows, 1908 (25)	..	..	52	18	4
Mangolds, 1908 (26)	..	..	6	9	6
Meadows, 1908 (27)	..	..	17	0	
Establishment (28)	..	..	2	7	10
Barley, 1908 (29)	..	..	39	14	0
Wheat, 1908 (30)	..	..	44	6	9
Oats, 1908 (31)	..	..	19	5	7
Pastures, 1908 (32)	..	..	7	17	7
Seeds, 1908 (34)	..	..	1	13	9
To Farm Horses, Working, Account (3)					
being cost of horse-labour performed during year					
					267 6 3

The Implement Account, No. 20 (see p. 177), is now taken. On reference to the Implement Stock book (see specimen on p. 16) the value of stock on hand at the end of the year was found to be £506. 13s. 9d. and after *crediting* the account with this value the total cost of the implements is obtained, viz. £68. 6s. 10d. Reference to the stock-book, and an analysis of the debit entries in the ledger account for implements enables the following apportionment to be made :

			£	s.	d.
Arable land	..	..	40	12	0
Cows	..	..	5	4	10
Sheep	..	..	9	14	0
Poultry	..	..	2	5	0
Establishment (<i>i.e.</i> general use)			10	11	0
			£68 6 10		

The arable land portion is then divided over the 1907 land accounts according to acreage :

			£	s.	d.
Fallow Crops	..	..	9	9	0
Mangolds	..	..	14	0	
Barley	..	..	10	3	0
Clover	..	..	10	3	0
Wheat	..	..	6	15	4
Oats	..	..	3	7	8
			£40 12 0		

This last apportionment is only a rough approximation, and with further experience it could be made more accurately, probably, than on a mere acreage basis. The amount at stake is so small, however, that the effect of errors in the estimate will not be serious. In strictness the 1908 crop accounts should bear a share of the charge, but one year is very like another when the same course of cropping is pursued, and it will be sufficient in any year to charge that year's crops with the whole of the depreciation on land implements.

Journalising :

					<i>Dr.</i>			<i>Cr.</i>		
					£	s.	d.	£	s.	d.
Sundry Accounts, <i>Dr.</i> , viz. :										
Cows (6)	..	..	..	..	5	4	10			
Sheep (9)	..	..	..	..	9	14	0			
Poultry (11)	..	..	..	..	2	5	0			
Fallow Crops, 1907 (12)	..	..	..	..	9	9	0			
Mangolds, 1907 (13)	..	..	..	..		14	0			
Barley, 1907 (14)	..	..	..	..	10	3	0			
Clover, 1907 (15)	..	..	..	..	10	3	0			
Wheat, 1907 (16)	..	..	..	..		6	15	4		
Oats, 1907 (17)	..	..	..	..	3	7	8			
Establishment (28)	..	..	..	..	10	11	0			
To Implements (20) being depreciation										
during year	..	..	..	..				68	6	10

These items are then posted to their respective accounts in the Ledger.

Nag Horses, No. 4 (see p. 161) are now taken, and as these have been kept solely for the general purposes of the farmer and his bailiff in the supervision of the farm, station and market work, etc., the account is balanced and the balance is carried to the Establishment account. Before balancing it is necessary to *credit* the account with the value of nags at the end of the year, which is £36 and the total cost of the nags is then arrived at, viz. £33. 6s. 7d. :

	Dr.			Cr.		
	£	s.	d.	£	s.	d.
Establishment (28) Dr.	33	6	7			
To Nag Horses (4) being cost of horses during year				33	6	7

This item is posted to the two accounts, and the Establishment Account, No. 28 (see p. 183) next claims attention. As already stated (see p. 132) it is not always customary to reckon these general expenses in the cost of production, but in farming it seems desirable to do so. As to the principle on which the apportionment should be made, there is room for speculation, but the author's practice is to apportion the charges over the productive accounts in proportion to the capital invested in them at the beginning of the financial year. It is unnecessary to include such accounts as Working Horses, Foods, Manures, etc., in the apportionment seeing that the balances of these are in their turn distributed over the productive accounts. Balancing the Establishment Account, the total cost appears to be £213. 3s. 11d., and the division of it on the lines suggested above results as follows :

			£	s.	d.
Farm Horses	246	parts equivalent to	13	19	1
Young Horses	60	" "	3	8	3
Cows	372	" "	21	2	1
Store Cattle	458	" "	26	2	11
Fattening Cattle	419	" "	23	15	6
Sheep	1280	" "	74	17	11
Pigs	27	" "	1	10	7
Poultry	9	" "		10	2
Fallow Crops, 1907	60	" "	3	8	3
Mangolds, 1907	21	" "	1	3	10
Barley, 1907	249	" "	14	2	6
Clover, 1907	66	" "	3	14	5
Wheat, 1907	298	" "	16	18	3
Oats, 1907	150	" "	8	10	2
	<u>3715</u>		<u>£213</u>	<u>3</u>	<u>11</u>

It is open to anyone to attempt to apportion the general charges upon a more exact basis, but much time might be spent in this way without any advantage commensurate with the trouble. The 1908 crops are left out of the reckoning, for the reasons stated on p. 142, when dealing with the apportionment of depreciation on implements.

These items must now be journalised and posted to the Ledger accounts :

				<i>Dr.</i>			<i>Cr.</i>		
				£	s.	d.	£	s.	d.
Sundry Accounts, Dr., viz. :									
Farm Horses (2)	..	..	..	13	19	1			
Young Horses (5)	..	..	..	3	8	3			
Cows (6)	..	..	..	21	2	1			
Store Cattle (7)	..	..	..	26	2	11			
Fatting Cattle (8)	..	..	..	23	15	6			
Sheep (9)	..	..	..	74	17	11			
Pigs (10)	..	..	..	1	10	7			
Poultry (11)	..	..	..		10	2			
Fallow Crops, 1907 (12)	..	..	..	3	8	3			
Mangolds, 1907 (13)	..	..	..	1	3	10			
Barley, 1907 (14)	..	..	..	14	2	6			
Clover, 1907 (15)	..	..	..	3	14	5			
Wheat, 1907 (16)	..	..	..	16	18	3			
Oats, 1907 (17)	..	..	..	8	10	2			
To Establishment (28) being general expenses during year	..	..	..				213	3	11

It is now desirable to deal with the 1907 crop accounts. Taking these as they come, the first is Fallow Crops, No. 12 (see p. 170). Except for a few rows of potatoes the entire crop has been turnips and swedes, and these have been fed off on the land by the sheep. The total cost of the Fallow Crops has been £243. 3s. 0d., after deducting the trifling sum for potatoes sold, or about £2. 2s. 8d. per acre, and it is necessary to consider carefully what this cost really represents. The item "Capital" includes the cost of labour, etc., performed for the crop during the previous

financial year, just as in the current year certain acts are performed for the 1908 Fallow Crops, No. 25 (see p. 181). The remainder of the items represent labour, seeds, manures, general charges, use of implements, and rent. Of these, seeds, general charges, implements and rent are fairly chargeable against the crop; the manures are by local custom carried forward to the next crop because the roots have been consumed on the land, and there remains the manual and horse-labour amounting, together with the £60 brought forward, to £125. 9s. 3d. Now it is important to recognise that just as manures have an effect extending over several years, and are valued accordingly, so the labour employed on the fallow crops exerts a beneficial action on the whole rotation by cleaning the land. In determining the cost of the fallow crops it is necessary, therefore, to remit some portion of the labour expenditure, by debiting the succeeding crops and crediting the fallows. The apportionment is not so difficult nor so arbitrary as it might appear at first sight, for all that is necessary is to consider the cultivations and other acts which would have been required to secure the root crops on clean land; all other workings are then fairly chargeable against the succeeding crops. In this case it was considered that about one-third of the work was necessary for growing the root crops, and the account accordingly divides itself as shown at the head of the next page.

Although the cost of the cleaning of the land, viz. £83. 12s. 10d. may be ascertained with fair accuracy, the apportionment of this charge over the succeeding crops in the rotation is more a matter of assumption. Still, the same problem has to be faced when

	£	s.	d.	£	s.	d.	£	s.	d.
Cost of growing fallow crops :									
Labour	41	16	5						
Seed	5	8	8						
Capital	3	0	0						
Rent	75	13	1						
Implements	9	9	0						
Establishment and sundries ..	3	15	0						
	139	2	2						
Deduct potatoes sold	2	16	0				136	6	2
Cost of cleaning land carried forward				83	12	10			
Cost of manure carried forward				23	4	0	106	16	10
							243	3	0

apportioning unexhausted manurial values, and there is no reason why it should not be dealt with in the case of unexhausted cleaning benefits. On the farm under consideration the rotation was a four course, and it was decided to work on the principle of charging one half the cost to the succeeding barley crop, two thirds of the residue to the following seed crop, and the remainder to the final crop in the rotation, namely wheat, or wheat and oats. The procedure is of course to charge the barley crop with the whole cost in the first instance, and to give it credit for the unexhausted half at the end of the year (see p. 147), and so on with the succeeding crops.

The roots of 1907 were all consumed by sheep, so that the foregoing items are journalised thus :

	<i>Dr.</i>			<i>Cr.</i>		
	£	s.	d.	£	s.	d.
Sundry Accounts, Dr., viz. :						
Ewe flock (9)	136	6	2			
Barley, 1908 (cultivation) (29)	83	12	10			
" (manures) (29)	23	4	0			
To Fallow Crops, 1907 (12) for foods and residues				243	3	0

and when these items have been posted to the ledger the Fallow Crops, 1907, Account closes itself.

Mangolds 1907, No. 13, come next (see p. 171). These have cost £43. 0s. 7d. and a crop estimated at 120 tons has been grown, so that the cost per ton has been about 7s. 2d. The whole of the mangolds were consumed by the ewes during and after lambing, and accordingly the total cost is transferred to the sheep account :

	Dr.			Cr.		
	£	s.	d.	£	s.	d.
Ewe flock (9) Dr.	43	0	7			
To Mangolds, 1907 (13) being 120 tons consumed				43	0	7

The Mangolds Account is then closed.

The 1907 Barley Crop, No. 14 (see p. 172) now calls for attention, and the only thing necessary to enable its cost to be ascertained is to give it credit for the unexhausted value of the cleaning cost referred to on p. 145. The amount of this item charged against this crop was found, on reference to the previous year's accounts, to be £73. 4s. 0d., and it is included, of course, in the item "May 1st, Capital £249. 10s. 0d." Applying the principle adopted, two thirds of this sum becomes chargeable to the 1908 Seeds Account, No. 34. In the Journal, therefore, appears the entry :

	Dr.			Cr.		
	£	s.	d.	£	s.	d.
Seeds, 1908 (34) Dr.	48	16	0			
To Barley, 1907 (14) being unexhausted cleaning costs				48	16	0

and the corresponding entries are made in the two Ledger accounts. Now the Ledger account shows that 238 qrs. barley have been sold, and a reference to the notes made during the year (see p. 74) shows that besides these, 347 qrs. have been fed and 30 qrs. have been used for seed, making a total used on the farm of 377 qrs. ; further, that 60 tons of barley straw have

been fed, and 60 tons used for litter. It is now necessary to find the cost of this corn and straw, and this can be done without much difficulty. The total crop is 615 qrs. corn and 120 tons straw, and the whole cost of this has been £543. 17s. 1d., that is to say, the total expenses have been £502. 17s. 1d., of which £48. 16s. 9d. is chargeable against the succeeding crop. The division of cost between corn and straw will naturally follow upon the comparison of their market values. In prairie countries, where the straw is nothing other than a nuisance, the whole cost of the crop would be borne by the corn, and if it be possible to imagine a locality where the straw alone was prized, the total cost would be chargeable against the straw. Between these two extremes the cost obviously must be shared over corn and straw according to their relative market values. In this case it was decided that the corn was worth in the market 28s. 6d. per qr. and the straw 20s. per ton, giving total values of £845, and £120 respectively. The cost of the corn is therefore £453. 17s. 1d. $\times \frac{845}{965}$, and of the straw £453. 17s. 1d. $\times \frac{120}{965}$, say £397. 9s. 1d. for corn and £56. 8s. 0d. for straw. The cost of the corn is thus about 13s. 5d. per qr., so that the cost of the quantity fed is £232. 15s. 7d. and that of the 30 qrs. used for seed is £20. 2s. 6d.

It is now possible to charge up all these items to their proper accounts, by journalising them as follows, and then byposting to their respective Ledger accounts:

	<i>Dr.</i>			<i>Cr.</i>		
	£	s.	d.	£	s.	d.
Sundry Accounts, Dr., viz. :						
Foods, 347 qrs. barley (21)	232	15	7			
,, 60 tons straw (21)	28	4	0			
Barley, 1908, 30 qrs. seed (29)	20	2	6			
Dung, 60 tons straw (22).. ..	28	4	0			
To Barley, 1907 (14) being cost of produce consumed on the holding				309	6	1

The account is now complete as regards debits and credits, and the balance, that is to say, the difference between the two, is the actual profit realised on the barley sold. This profit will be found to amount to £193. 18s. 0d., and by entering it upon the debit side the account closes itself.

The Clover Seeds Account, 1907, No. 15 (p. 173), now engages attention. The total cost stands at £183. 15s. 2d., but a portion of the first item, "Capital £66. 0s. 0d." represents unexhausted cleaning benefits, and a reference to the previous year's accounts shows this portion to be £22. The sum of £11 is therefore to be charged against the Wheat, 1908, Account, following the principle already laid down (see p. 145), and this is effected by means of an entry in the Journal :

	Dr.			Cr.		
	£	s.	d.	£	s.	d.
Wheat, 1908 (30) Dr.	11	0	0			
To Seeds, 1907 (15) being unexhausted						
cleaning costs				11	0	0

This reduces the cost of the seeds to £172. 15s. 2d., and of this, the items "Labour £14. 2s. 5d." and "Horse-labour £5. 4s. 8d.," making a total of £19. 7s. 1d. represent hay-making costs, so that the actual total expense of the 120 acres seeds is £153. 8s. 1d. Now 100 acres of the seeds, representing a cost of £126. 3s. 5d., have been grazed by sheep, whilst the remaining 20 acres, representing a cost of £27. 4s. 8d., have been converted into hay. With this last must be included the hay-making costs mentioned above, which amounts to £19. 7s. 1d., giving a total figure for the cost of the 46 tons clover hay produced of £46. 11s. 9d. A Journal entry, and the consequent Ledger entries, transfer

these costs to the Sheep Account and the Foods Account respectively :

	Dr.			Cr.		
	£	s.	d.	£	s.	d.
Sundry Accounts, Dr., viz. :						
Sheep (9)	126	3	5			
Foods (21)	46	11	9			
To Clover Seeds, 1907 (15) being cost re- spectively of 100 acres grazing, and 46 tons hay				172	15	2

The Clover Seeds, 1907, Account is now closed.

Turning next to the Wheat, 1907, Account, No. 16 (p. 174), this is dealt with on lines similar to those adopted in balancing the Barley Account. The total cost of the crop has been £484. 16s. 2d., whilst 364 qrs. grain have been sold, 18 qrs. fed, 30 qrs. used for seed for the 1908 crop, making 412 qrs. in all, and 80 tons straw have been transferred to the Dung Account. (The ton of straw sold on 29th Feb. can be ignored in this connection.) Applying the principle of division of costs as between grain and straw which was stated on p. 148, the wheat was estimated to have an average market value of 34s. per qr. and the straw 30s. per ton, making total values of £700 and £120 respectively. The cost is therefore, £484. 16s. 2d. $\times \frac{700}{820}$ for the grain, and £485. 6s. 2d. $\times \frac{120}{820}$ for the straw, that is, £413. 17s. 2d. and £71. 9s. 0d. The cost of the grain is about 20s. 1d. per qr., so that the 1908 wheat crop must be charged with thirty times this amount, namely £30. 2s. 6d., in respect of seed corn, and the Foods Account with £18. 1s. 6d. in respect of 18 qrs. fed. The final entries can now be made in the Wheat Account by journalising the foregoing figures and then posting :

	<i>Dr.</i>			<i>Cr.</i>		
	£	s.	d.	£	s.	d.
Sundry Accounts, Dr., viz. :						
Wheat, 1908, 30 qrs. seed corn (30) ..	30	2	6			
Foods, 18 qrs. wheat (21) ..	18	1	6			
Dung, 80 tons straw (22)..	71	9	0			
To Wheat, 1907 (16) being cost of produce consumed on the holding ..				119	13	0

This completes the Wheat Account, and the difference between the debit and credit sides, viz. £291. 17s. 4d. is the *profit* actually realised on the wheat sold.

The Oats, 1907, Account, No. 17 (p. 175), is dealt with in a manner exactly similar to that followed with the wheat. There are no cleaning benefits to be handed on, as this crop, like the wheat crop, is the last in the rotation, so that the total of the debit side, viz. £249. 13s. 6d. is the total cost of the crop. The yield has been 52½ qrs. corn sold, 214 qrs. transferred to Foods, and 15 qrs. used for seed for the 1908 crop, making a total of 281½ qrs. grown; also 60 tons of straw transferred to Foods. Estimating the market value of the corn at 18s. per qr. or £253. 0s. 0d., and that of the straw at 30s. per ton, or £90, the cost divides itself between corn and straw thus : £249. 13s. 6d. $\times \frac{253}{343}$ for corn, and £249. 13s. 6d. $\times \frac{90}{343}$ for straw, that is, £184. 3s. 0d. and £65. 10s. 6d. respectively. This puts the cost of the corn at about 13s. 1d., and applying this figure, it is possible now to complete the account by journalising these transactions and then posting :

	<i>Dr.</i>			<i>Cr.</i>		
	£	s.	d.	£	s.	d.
Sundry Accounts, Dr., viz. :						
Foods, 214 qrs. oats (21)..	140	0	0			
„ 60 tons straw (21) ..	65	10	6			
Oats, 1908, 15 qrs. (31) ..	9	16	3			
To Oats, 1907 (17) being produce consumed on the holding ..				215	6	9

The Account is now balanced to find the profit on the few quarters of oats sold, which proves to be £12. 17s. 9d., and when this profit has been entered on the debit side the account is closed.

The next account is that for the Meadow-land in 1907, No. 18 (p. 176). Here it is necessary to find the cost of the hay produced, and this is readily done. The total costs of the crop were £43. 1s. 3d., and 16 tons of hay were produced, which represents about £2. 13s. 10d. per ton. The 15 tons transferred to the Foods Account (see p. 74), are charged accordingly, and the following Journal entry is made :

	<i>Dr.</i>			<i>Cr.</i>		
	£	s.	d.	£	s.	d.
Foods (21), Dr.	40	7	6			
To Meadows, 1907 (18) being cost of 15 tons						
hay				40	7	6

When these have been posted the Meadows Account is closed, the small balance of £1. 16s. 3d. representing the profit on the ton of hay sold.

This completes the 1907 crop accounts, and the Foods Account, No. 21 (p. 178), is the next one requiring attention. Theoretically it should be sufficient to balance the account in order to find the value of foods on hand unconsumed at the end of the year, but in practice it is necessary to run over the stocks in order to check them against the value shown in the books. Almost invariably there will be a deficiency, due to inaccuracies in feeding, but so long as the error is not large it need not occasion any anxiety. On the other hand, any serious disregard on the part of the men of their instructions as to feeding will immediately be

revealed, and the error must be shared up over the various live-stock accounts as nearly as possible in proportion to the values of foods consumed by each class. In the example here given, the error was so trifling as to make it safe to ignore it, and the account was completed by writing in the balance as being the value of stock on hand, viz. £393. 14s. 10d.

Everything said about this account applies equally to the Artificial Manure Account, No. 35 (p. 189), though there is much less likelihood of instructions being exceeded in this case. Balancing the account, the stocks on hand appear to have cost £48. 11s. 0d.

Having dealt with all the crop accounts, the Live Stock accounts must be taken in hand. The first is that for Farm Horses, No. 2 (p. 159). The Valuation Book shows that these were worth £279 at the end of the year, and the account is *credited* with this sum accordingly. Nothing now remains to be added to it, and it is therefore balanced to find the profit, which proves to be £75. 6s. 11d. The necessity for keeping the Horses *Stock* Account separated from the Horses *Working* Account is now apparent, for had the two been run together, as is very commonly done, this profit due to the farmer for his skill in management and dealing would have been merged in the cost of the labour performed by the horses on the farm.

The Nag Horses Account has already been dealt with, so that the Young Horses, No. 5 (p. 162), come next in order. This account must be *credited* with the manurial value of the feeding stuffs consumed, which is found to be £5. 9s. 6d., and as the horses have been fed entirely on the grass-land, the Pastures, 1908, Account must be debited :

	Dr.			Cr.		
	£	s.	d.	£	s.	d.
Pastures, 1908 (32) Dr.	5	9	6			
To Young Horses (5) being manurial value						
of foods consumed				5	9	6

Nothing now remains but to balance the account to arrive at the profit on it, and this is found to be £64. 11s. 4d. It might be remarked here that there is no reason whatever why *working* horses should not receive credit for the manurial value of the foods they consume, but by an incomprehensible provision of the Agricultural Holdings Act, 1908, an out-going tenant is specially precluded from obtaining compensation for the manurial residues of foods fed to horses regularly worked on the holding, and this being so it is probably as well to adopt the same practice in the farm books until the law is amended.

The Cows Account, No. 6 (p. 163), is treated in a similar way. The manurial value of the foods fed to the cows on grass-land in the summer months is £8. 15s. 0d., and of the foods fed in the cow-shed in the winter months £15. 5s. 0d.; the first charged to the 1908 Pastures Account, and the second to the Dung Account :

	Dr.			Cr.		
	£	s.	d.	£	s.	d.
Sundry Accounts, Dr., viz. :						
Pastures, 1908 (32)	8	15	0			
Dung (22)	15	5	0			
To Cows (6) being manurial value of foods						
consumed				24	0	0

It is now necessary to credit the account with the value of cow-stock on hand, which proves to be £372. 0s. 0d., and the balance of the account as then ascertained, viz. £67. 12s. 0d., is the profit on the cows for the year.

The accounts for Store Cattle, No. 7, Fatting

Cattle, No. 8, Ewe Flock, No. 9, and Pigs, No. 10 (pp. 164—8), are finished off in a similar way. In the case of the Store Cattle the figures are :

	Dr.			Cr.		
	£	s.	d.	£	s.	d.
Sundry Accounts, Dr., viz. :						
Pastures, 1908 (32)	6	5	0			
Dung (22)	36	0	0			
To Store Cattle (7) being manurial value of foods				42	5	0

and having posted these, the account is balanced to find the *cost of the Stock to the end of the year*. There is no question of any profit or loss in this case, as the final stage in the process of production has not yet been reached, and all that is necessary is to know the cost at which the stock will stand at the beginning of the new financial year.

In the case of Fattening Cattle, No. 8, foods representing a manurial value of £13. 5s. 0d. have been fed to the bullocks on pastures during the summer, whilst a manurial value of £29. 15s. 0d. has been added to the dung in the yards during the winter period :

	Dr.			Cr.		
	£	s.	d.	£	s.	d.
Sundry Accounts, Dr., viz. :						
Pastures, 1908 (32)	13	5	0			
Dung (22)	29	15	0			
To Fattening Cattle (8) being manurial value of foods				43	0	0

All the fat stock have been sold before the end of the year, so that when the above Journal entries are posted nothing remains but to balance the account to find the profit or loss. A profit of £21. 1s. 10d. appears.

An inspection of the Ewe Flock Account, No. 9 (p. 166), shows that the manurial residues of foods fed to sheep in the summer are worth £10. 10s. 0d. and of those

fed in the winter £9. Half the sheep were on pastures in the summer, so that £5. 5s. 0d. is chargeable to 1908 Pastures; the other half were on seeds, two thirds of which will be wheat and one third oats, in 1908, so that £3. 10s. 0d. is chargeable to the former crop and £1. 15s. 0d. to the latter. The foods during the winter months were consumed on fallow crops and the residues are chargeable entirely against the 1908 barley crops:

	<i>Dr.</i>			<i>Cr.</i>		
	£	s.	d.	£	s.	d.
Sundry Accounts, Dr., viz.:						
Pastures, 1908 (32)	5	5	0			
Wheat, 1908 (30)	3	10	0			
Oats, 1908 (31)	1	15	0			
Barley, 1908 (29)	9	0	0			
To Ewe Flock (9) being manurial value of foods				19	10	0

Having posted these the account must be credited with the value of stock on hand at the end of the year, which is found to be £1246. 12s. 6d., and it is then ready for balancing to find the profit of the year, which proves to be £488. 9s. 4d.

Foods representing a manurial value of £7. 10s. 0d. have been fed to the Pigs, No. 10, and this is charged against the Dung Account:

	<i>Dr.</i>			<i>Cr.</i>		
	£	s.	d.	£	s.	d.
Dung (22) Dr.	7	10	0			
To Pigs (10) being manurial value of foods				7	10	0

This is posted, and, after crediting the value of pigs on hand at the end of the year, viz. £15. 0s. 0d., the account is balanced to ascertain the profit, which is £48. 11s. 1d.

In the case of Poultry, No. 11 (p. 169), all that is necessary is to credit the value of the stock on hand, viz. £13. 12s. 6d. A profit of £19. 7s. 6d. on the year's working then appears.

The only live-stock account remaining is that for Bull Calves, No. 24 (p. 181). The young bulls have been sold, so that after crediting the account with the manurial value of the foods consumed thus :

	<i>Dr.</i>	<i>Cr.</i>
	<i>£ s. d.</i>	<i>£ s. d.</i>
Dung (22) Dr.	2 5 0	
To Bull Calves (24) being manurial value of foods		2 5 0

the profit, £29. 7s. 6d. appears on balancing.

All the accounts have now been completed with the exception of the Dung Account, the Labour Account, and the 1908 Crop Accounts. As regards the first (p. 179), the notes on p. 74 state that 70 loads dung were applied to the 1908 Mangold ground, and it becomes necessary to know the cost of it. Now after deducting the cost of dung used on wheat, the cost of the remainder is £195. 14s. 6d., and it is estimated that there were about 650 loads in the yards and boxes. The cost of a load is, therefore, about 6s. 3d., and the sum of £21. 17s. 6d. becomes chargeable against the mangolds :

	<i>Dr.</i>	<i>Cr.</i>
	<i>£ s. d.</i>	<i>£ s. d.</i>
Mangolds, 1908 (26) Dr.	21 17 6	
To Dung (22) being cost of 70 loads ..		21 17 6

After posting these the balance of the account, namely £173. 17s. 0d., represents the cost of the dung still unapplied.

The Labour Account No. 23 (p. 180), should balance if the men's time has been correctly priced and charged. But it is almost impossible to avoid a small difference on one side or the other, and where this occurs, it is better to close this account earlier, say after the Implements Account has been dealt with, so that the error

can be carried to Establishment and distributed over all the productive accounts.

The 1908 crop accounts, Fallow Crops, No. 25, Mangolds, No. 26, Meadows, No. 27, Barley, No. 29, Wheat, No. 30, Oats, No. 31, Pastures, No. 32, and Clover Seeds, No. 34 (pp. 181—8), are each of them added up, and the total represents the *cost* of each crop up to the end of the year. Each account is balanced, and the balances are carried forward to start the debit entries in the respective accounts for the coming year.

In this way a good many of the estimations of values and costs which are inevitable under the customary methods of tenant-right valuation are eliminated, and each account is carried into the new year at *its actual cost to the farmer concerned*, and not at some appraisement of cost based on figures supposed to represent the average experience of farmers in the district.

Broad Acre Farm, Capital Account. No. 1.

Date	Dr.	L.F.	£ s. d.	Date	Cr.	L.F.	£ s. d.
1907				1907			
				May 1	By Sundry Accounts		4793 3 11

Farm Horses. Stock Account. No. 2.

Date	Dr.	L.F.	£ s. d.	Date	Cr.	L.F.	£ s. d.
1907				1907			
May 1	To capital	..	1 246 0 0	Aug. 31	By Cash, 2 horses	..	29 0 0
31	" cash, service expenses	..	7 6 0	Nov. 30	" " 1 mare ..	..	9 19 0
Sept. 30	" " service fee	..	3 3 0				
Nov. 30	" " (2)	..	6 6 0				
1908				1908			
Apr. 30	" private account	..	36 12 6 0	Jan. 31	" " skins	..	9 6
	" establishment	..	28 13 19 1	Apr. 30	" horses working ..	..	39 0 0
	" balance being profit	..	75 6 11		" valuation of stock on hand ..	..	279 0 0
			<u>357 8 6</u>				<u>357 8 6</u>
1908							
May 1	" stock on hand b/d ..	..	279 0 0				

Farm Horses. Working Account. No. 3.

Date	Dr.	L.F.	£	s.	d.	Date	Cr.	L.F.	£	s.	d.
1907						1907					
May 31	To <i>foods</i>	..	21	15	3	5					
June 30	" "	..	21	15	16	5					
July 31	" "	..	21	8	16	6					
" "	cash, sundries	..			1	6					
Aug. 31	" <i>foods</i>	..	21	6	16	9					
" "	cash, vet. surgeon	..			6	4					
Sept. 30	" <i>foods</i>	..	21	7	8	8					
" "	cash, chaff cutting	..			3	0					
Oct. 31	" <i>foods</i>	..	21	7	7	5					
" "	cash, blacksmith account	..			20	1					
Nov. 30	" <i>foods</i>	..	21	14	19	2					
Dec. 31	" "	..	21	14	8	4					
1908						1908					
Jan. 31	cash, sundries	..		1	1	9	By young horses	..	5	7	10
" "	<i>foods</i>	..	21	14	19	7	" sundry accounts	..	267	6	3
Feb. 29	" "	..	21	18	1	5					
Mar. 31	" "	..	21	8	1	0					
" "	cash, harness	..		6	7	3					
" <i>foods</i>	" "	..	21	10	3	4					
" "	cash, chaff cutting	..		3	7	6					
" "	" blacksmith	..		18	7	3					
" "	" <i>pastures</i>	..	19	35	2	9					
" "	" <i>horses stock</i>	..	2	39	0	0					
						£274	16	3			

Nag Horses Account. No. 4.

Date	Dr.	L.F.	£	s.	d.	Date	Cr.	L.F.	£	s.	d.
1907						1907					
May 1	To capital	..	1	30	0						
May 31	<i>foods</i>	..	..	14	7						
June 30	"	..	21	2	8						
July 31	"	..	21	1	9						
Aug. 31	"	..	21	2	1						
Sept. 30	"	..	21	1	8						
Oct. 31	"	..	21	1	10						
"	cash, blacksmith	..	..	1	10						
Nov. 30	<i>foods</i>	..	21	2	7						
Dec. 31	"	..	21	2	7						
1908						1908					
Jan. 31	"	..	21	2	7	Apr. 30	By valuation of stock on hand		36	0	0
Feb. 29	"	..	21	2	19	"	<i>establishment</i>	28	33	6	7
Mar. 31	"	..	21	1	14						
"	cash, harness	..	..	4	7						
Apr. 30	<i>foods</i>	..	21	2	1						
"	cash, blacksmith	..	..	2	0						
"	<i>private account</i>	..	36	1	10						
"	<i>pastures</i>	..	19	5	7						
			£69	6	7				£69	6	7
11 1908											
May 1	stock on hand b/d...	..	36	0	0						

Cows Account. No. 6.

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Date	Dr.	L.F.	£	s.	d.	Date	Cr.	L.F.	£	s.	d.	
1907						1907						
May 1	To capital	..	1	372	0	0	By cash, 10 cows	..	..	137	0	0
" 31	" foods	..	21	10	10	6	" milk	..	..	2	11	9
June 30	" labour	..	23	1	13	0	" bull calves	..	24	12	0	0
" 30	" foods	..	21	5	18	11	" store cattle	..	7	108	0	0
July 31	" labour	..	23	2	3	9	" cash, milk	..	..	8	17	11
" 31	" foods	..	21	3	12	7						
" 31	" labour	..	23	1	0	6						
Aug. 31	" cash, sundries	..	21	5	16	7						
" 31	" foods	..	23	1	10	3						
" 31	" labour	..	23	4	17	0						
Sept. 30	" cash, vet. surgeon	..	21	4	10	1						
" 30	" foods	..	23	16	9							
Oct. 31	" labour	..	21	5	7	0						
" 31	" foods	..	23	18	3							
" 31	" labour	..	23	1	0							
Nov. 30	" cash, sundries	..	21	8	9	3						
" 30	" foods	..	23	1	14	9						
Dec. 31	" labour	..	21	9	4	4						
" 31	" foods	..	23	2	7	9						
" 31	" labour	..	21	21	0	0						
" 31	" cash, bull	..	23	2	7	9						
1908						1908						
Jan. 31	" foods	..	21	9	4	4	Jan. 31	..	..	4	18	0
" 31	" labour	..	23	2	8	9	" skins	..	..	2	5	6
" 31	" cash, 2 cows	..	36	0	0	0	" store cattle	..	7	12	0	0
Feb. 29	" sundries	..	21	14	3	9	" cash, milk	..	..	16	5	4
" 29	" foods	..	23	2	19	6	" "	..	..	4	17	2
Mar. 31	" labour	..	21	1	13	7						
" 31	" foods	..	23	1	19	6						
" 31	" labour	..	21	10	19	7						
Apr. 30	" foods	..	23	1	19	6	Apr. 30	..	..	24	0	0
" 30	" private account	..	36	18	12	0	" sundry accounts	..	..	372	0	0
" 30	" pastures	..	19	40	11	5	" valuation of stock on hand	..	..			
" 30	" implements	..	20	5	4	10						
" 30	" establishment	..	28	21	2	1						
" 30	" balance being profit	..	67	12	0	0						
1908						1908						
May 1	" stock on hand b/d	..	£704	15	8					£704	15	8
" 1	" "	..	372	0	0							

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Store Cattle Account. No. 7.

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Date	Dr.	L.F.	£ s. d.	Date	Cr.	L.F.	£ s. d.
1907				1907			
May 1	To capital	..	1 458 10 0	Oct. 31	By <i>fattening cattle</i>	..	8 17 0 0
" 31	" <i>foods</i>	..	21 12 2 0	Dec. 31	" "	..	8 17 0 0
June 30	" <i>labour</i>	..	23 1 14 3				
"	" <i>foods</i>	..	21 4 8 4				
July 31	" <i>labour</i>	..	23 2 1 3				
"	" <i>foods</i>	..	21 9 9 9				
Aug. 31	" <i>labour</i>	..	23 2 3 3				
"	" <i>foods</i>	..	21 2 6 10				
"	" <i>labour</i>	..	23 10 9 9				
"	cash, vet. surgeon	..	2 12 0 0				
Sept. 30	" <i>foods</i>	..	21 3 6 4				
"	" <i>labour</i>	..	23 10 3 3				
Oct. 31	" <i>foods</i>	..	21 3 9 4				
"	" <i>labour</i>	..	23 10 9 9				
Nov. 30	" <i>foods</i>	..	21 10 2 11				
"	" <i>labour</i>	..	23 1 13 6				
Dec. 31	" <i>foods</i>	..	21 27 7 5				
"	" <i>labour</i>	..	23 3 1 0				
"	" <i>cows</i>	..	6 108 0 0				
1908				1908			
Jan. 31	" <i>foods</i>	..	21 27 6 2	Jan. 31	cash, skins	..	8 0 0
"	" <i>labour</i>	..	23 2 12 0	"	" 8 yearlings	..	82 0 0
Feb. 29	" <i>foods</i>	..	21 39 13 4	"	" 8 two-yr.-olds	..	136 0 0
"	" <i>labour</i>	..	23 2 11 0	Apr. 30	<i>wundry accounts</i>	..	42 5 0
Mar. 31	" <i>cows</i>	..	6 12 0 0	"	balance being stock on hand	..	569 10 10
"	" <i>foods</i>	..	21 21 5 3				
"	" <i>labour</i>	..	23 1 8 6				
Apr. 30	" <i>foods</i>	..	21 19 10 6				
"	" <i>labour</i>	..	23 1 5 3				
"	" <i>private account</i>	..	36 22 18 6				
"	" <i>pastures</i>	..	19 44 11 6				
"	" <i>establishment</i>	..	28 26 2 11				
			£864 3 10				£864 3 10
1908							
May 1	" stock on hand b/d	..	569 10 10				

Ewe Flock Account. No. 9.

Date	Dr.	L.F.	£	s.	d.	Date	Cr.	L.F.	£	s.	d.
1907						1907					
May 1	To capital	..	1	12	79	May 31	By cash, 8 lambs ..	..	13	16	6
" 31	" foods	..	21	12	14	" "	" 6 ewes ..	..	17	8	6
" "	" labour	..	23	4	10	" "	" wool locks	..	8	4	6
June 30	" foods	..	21	5	10	June 30	" 18 lambs	..	39	16	4
" "	" labour	..	23	5	13	" "	" 10 ewes ..	..	22	18	6
July 31	" foods	..	21	4	11	" "	" 1 ram ..	..	2	9	6
" "	" labour	..	23	3	8	July 31	" 14 lambs	..	27	4	9
" "	" cash, sundries	..	21	3	9	" "	" 35 ewes ..	..	89	15	8
Aug. 31	" foods	..	21	11	14	Aug. 31	" 10 lambs	..	19	19	0
" "	" labour	..	23	3	16	" "	" 16 ewes ..	..	41	9	7
" "	" cash, sheep-dip	..	2	5	9	" "	" wool ..	..	206	10	0
Sept. 30	" foods	..	21	6	12	Sept. 30	" 30 lambs	..	75	5	1
" "	" labour	..	23	2	16	" "	" draft lambs	..	428	12	6
" "	" cash, 2 rams	..	12	12	0	" "	" ewes	..	101	17	6
" "	" carriage	..	4	6		" "	" 59 lambs	..	91	3	0
Oct. 31	" foods	..	21	2	8	Oct. 31	" 15 ewes ..	..	40	0	0
" "	" labour	..	23	2	17	Nov. 30	" "	..			
" "	" cash, sundries	..	1	0	2						
Nov. 30	" foods	..	21	2	19						
" "	" labour	..	23	3	18						
Dec. 31	" foods	..	21	6	17						
" "	" labour	..	23	5	3						
1908						1908					
Jan. 31	" foods	..	21	5	12	Jan. 31	" skins	..	11	10	6
" "	" labour	..	23	2	11	Mar. 31	" 2 sheep ..	..	4	10	0
" "	" cash, sundries	..	2	10	1						
Feb. 29	" foods	..	21	11	15						
" "	" labour	..	23	7	10						
" "	" cash, sheep-dip	..	3	15	0						
		Forward	£1418	16	0			Forward	£1242	11	5

Poultry Account. No. 11.

Date	Dr.	L.F.	£ s. d.	Date	Cr.	L.F.	£ s. d.
1907				1907			
May 1	To capital	..	1 9 0	May 31	By cash, eggs, etc. . .	..	1 11 10
" 31	" foods	..	21 19 4	July 31	" "	..	1 4 1
June 30	" "	..	21 1 5	Aug. 31	" "	..	8 2 2
July 31	" "	..	21 19 7	Sept. 30	" "	..	2 19 2
Oct. 31	" "	..	21 1 9	Oct. 31	" "	..	6 3 8
	" cash, food	..	5 5 6		" "	..	
Nov. 30	" foods	..	21 1 3				
Dec. 31	" "	..	21 1 0				
	" "	..					
1908				1908			
Jan. 31	" "	..	21 19 10	Jan. 31	" "	..	6 0
Feb. 29	" "	..	21 1 2	Feb. 29	" 40 turkeys	..	21 12 9
Mar. 31	" "	..	21 8 9	" "	" eggs, etc.	..	4 0
	" cash, food	..	3 2 0	Mar. 31	" "	..	14 1
Apr. 30	" foods	..	21 7 3	Apr. 30	" value of stock on hand	..	13 12 6
	" private account	..	36 9 6				
	" implements	..	20 5 0				
	" establishment	..	10 2				
	" balance being profit	..	19 7 8				
			<u>£48 16 3</u>				<u>£48 16 3</u>
1908							
May 1	" stock on hand b/d	..	£13 12 6				

Mangolds Account. No. 13.

Date	Dr.	L.F.	£ s. d.
1907 May 31	To capital ..	..	21 0 0
" "	labour ..	..	3 10 0
" "	cash, seed ..	..	4 11 8
June 30	labour ..	23	1 5 0
July 31	" ..	23	1 17 6
Dec. 31	" ..	23	1 5 0
1908 Apr. 30	" artificials ..	35	17 0 0
" " private account ..	..	36	1 1 0
" rent, etc. ..	..	33	4 14 6
" horse labour ..	..	3	1 1 1
" implements ..	..	20	14 0 0
" establishment ..	..	28	1 3 10
			£43 0 7

Wheat, 1907, Account. No. 16.

Date	Dr.	L.F.	£ s. d.	Date	Cr.	L.F.	£ s. d.
1907				1907			
May 1	To capital	..	1 298 0 0	Nov. 30	By cash, 12 qrs. @ 40s. ..		24 0 0
June 30	" labour	..	23 5 4 6				
Aug. 31	" " cash, hail insurance	..	23 25 3 7				
Sept. 30	" " " " " "	..	2 7 4				
Nov. 30	" labour	..	23 13 9 2				
	" cash, harvest wages	..	3 12 11				
	" " thatching	..	3 9 2				
Dec. 31	" labour	..	4 3 0				
1908				1908			
Jan. 31	" " thatch pegs	..	23 2 2 9	Jan. 31	" 130 qrs. @ 37s. 6d.		243 15 0
Apr. 30	" " threshing	..	12 0	Feb. 29	" 1 ton straw ..		2 0 0
	" " coal ..	..	16 12 4	" " 43 qrs. @ 30s. ..			64 10 0
	" " private account	..	2 12 4	Mar. 31	" 61 qrs. @ 31s. 6d.		96 1 6
	" rent, etc. ..	..	14 18 0	Apr. 30	" 138 qrs. @ 33s. ..		227 4 0
	" " horse labour	..	11 53 11 8	" " sundry accounts ..			119 13 0
	" " implements ..	..	3 15 3 10				
	" " establishment ..	..	20 6 15 4				
	" " balance being profit	..	16 18 3				
		..	292 7 4				
			£777 3 6				
							£777 3 6

Meadows Account. No. 18.

Date	Dr.	L.F.	£ s. d.	Date	Cr.	L.F.	£ s. d.
1907				1907			
May 1	To capital	..	1 3 0 0				
" 31	" labour	..	23 14 6				
July 31	" "	..	23 10 7 6				
Aug. 31	" "	..	23 12 12 0				
	" cash, heer	..	5 0				
1908				1908			
Apr. 30	" private account	..	36 3 0	Mar. 31	By cash, 1 ton hay..	..	4 10 0
	" rent, etc.	..	33 13 10 0	Apr. 30	" food, 15 tons hay	..	40 7 6
	" horse labour	..	3 2 9 3				
	" balance being profit	..	1 16 3				
			<u>£44 17 6</u>				<u>£44 17 6</u>

Pastures Account. No. 19.

Date	Dr.	L.F.	£ s. d.	Date	Cr.	L.F.	£ s. d.
1907				1907			
May 1	To capital	..	1 40 8 10				
Sept. 30	" labour	..	23 2 6 8				
1908				1908			
Apr. 30	" private account	..	36 2 0 6	Apr. 30	By sundry accounts	..	285 16 3
	" rent, etc.	..	33 241 0 3				
			<u>£285 16 3</u>				<u>£285 16 3</u>

Implements Account. No. 20.

Date	Dr.	L.F.	£	s.	d.	Date	Cr.	L.F.	£	s.	d.
1907						1907					
May 1	To capital	..	..	..	..	Oct. 31	By cash, fire claim..	..	..	..	..
June 30	" cash, manure distributor	..	..	1	477 0 6					2	11 0
	" " plough fittings	..	..	..	22 16 0						
July 31	" " sundries	..	..	..	3 7 0						
Oct. 31	" " binder	..	..	..	11 10						
	" " sheaf carrier..	..	..	..	25 0 0						
	" " petroleum	..	..	..	1 10 0						
	" " blacksmith	..	..	..	4 10 0						
Nov. 30	" " fittings	..	..	..	8 2 4						
Dec. 31	" " labour	..	..	..	4 0						
		..	..	..	23 2 4						
1908											
Jan. 31	" cash, engine repairs	..	..	..	5 9 7	1908	" sundries sold	..	..	23	10 0
Feb. 29	" " engine inspection	..	..	..	1 2 8	Feb. 29	" value of stock on hand	..	..	506	13 9
	" " oil	..	..	..	12 6	Apr. 30	" sundry accounts	..	..	68	6 10
Mar. 31	" " parts...	..	..	..	23 6 3						
Apr. 30	" " blacksmith	..	..	..	3 9 7						
	" " private account	..	..	..	23 17 0						
		..	..	..	36						
					£601 1 7						£601 1 7

Foods Account. No. 21.

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Date	Dr.	L.F.	£	s.	d.	Date	Cr.	L.F.	£	s.	d.
1907						1907					
May 1	To capital	1	288	9	9	May 31	By sundry accounts	..	62	13	6
" 31	" labour	23	2	1	2	June 30	" "	..	48	14	8
June 30	" "	23	1	11	6	July 31	" "	..	31	2	1
" "	" cash, 4 tons linseed cake..		32	0	0	Aug. 31	" "	..	44	7	5
" "	" 2 tons meal ..		10	0	0	" "	" cash, 3 qrs. oats	..	3	0	0
" "	" cotton seed meal ..		28	12	0	Sept. 30	" sundry accounts	..	35	14	3
" "	" malt culms ..		17	0	0	Oct. 31	" "	..	30	13	1
July 31	" labour	23	3	7	Nov. 30	" "	" "	..	85	15	9
" "	" cash, sundries ..		2	1	Dec. 31	" "	" "	..	97	8	4
Aug. 31	" labour	23	2	9							
Sept. 30	" "	23	2	6							
Oct. 31	" cash, 2 ton cotton cake		16	3	2						
Nov. 30	" labour	23	12	9							
" "	" cash, 10 qrs. maize ..		13	8	0						
Dec. 31	" labour	23	9	6							
" "	" cash, 4 ton linseed cake		32	15	0						
" "	" 4 ton dec. cotton ..		31	8	3						
" "	" 4 ton undec. cotton..		21	19	3						
" "	" 2 ton molascuit ..		10	10	0						
1908						1908					
Jan. 21	" labour	23	9	6	Jan. 31	" sundry accounts	..	97	19	5	
Feb. 29	" "	23	3	2	Feb. 29	" "	..	111	3	2	
Mar. 31	" "	23	12	2	Mar. 31	" "	..	53	14	8	
" "	" cash, 1 ton bran ..		7	13	6	Apr. 30	" "	..	49	2	2
" "	" 1 ton linseed eake		9	5	0	" "	" balance being stock on	..	394	5	10
Apr. 31	" labour	23	3	9		" "	hand ..	..			
" "	" cash, 1 ton linseed cake		9	5	0						
" "	" 2 ton bran ..		12	12	6						
Apr. 30	" private account	36	14	8	6						
" "	" horse labour ..	3	11	19	2						
" "	" barley, 347 qrs.	14	232	15	7						
" "	" 60 ton straw ..	14	28	4	0						
" "	" seeds, 46 ton hay ..	15	46	11	9						
" "	" wheat, 18 qrs.	16	18	1	6						
" "	" oats, 214 qrs.	17	140	0	0						
" "	" 60 ton straw ..	17	65	10	6						
" "	" meadows, 15 ton hay	18	40	7	6						
1908			£1145	14	4				£1145	14	4
May 1	" stock on hand b/d..		£394	5	10						

Bull Calves Account. No. 24.

Date	Dr.	L.F.	£ s. d.	Date	Cr.	L.F.	£ s. d.
1907				1907			
Oct. 31	To cows	6	12 0 0				
Nov. 30	" <i>foods</i>	21	1 8 1				
	" <i>labour</i>	23	7 6				
Dec. 31	" <i>foods</i>	21	1 5 0				
	" <i>labour</i>	23	4 11				
1908				1908			
Jan. 31	" <i>foods</i>	21	1 11 6	Mar. 31	By cash, 2 bulls	..	50 15 0
	" <i>labour</i>	23	5 3	Apr. 30	" <i>dung</i>	..	2 5 0
	cash, registration fees	..	4 0				
Feb. 29	" <i>foods</i>	21	3 13 4				
	" <i>labour</i>	23	7 0				
Mar. 31	" <i>foods</i>	21	1 17 0				
	" <i>labour</i>	23	8 11				
Apr. 30	" balance being profit	..	29 7 6				
			<u>£53 0 0</u>				<u>£53 0 0</u>

Fallow Crops, 1908, Account. No. 25.

Date	Dr.	L.F.	£ s. d.	Date	Cr.	L.F.	£ s. d.
1908				1908			
Jan. 31	To labour	23	15 0 11	Apr. 30	By balance being cost to date		107 14 6
Feb. 29	"	23	7 6 2				
Mar. 31	"	23	10 9 6				
Apr. 30	"	23	21 19 7				
	" <i>horse labour</i>	..	52 18 4				
			<u>£107 14 6</u>				<u>£107 14 6</u>
1908							
May 1	" cost b/d	..	£107 14 6				

Mangolds, 1908, Account. No. 26.

Date	Dr.	L.F.	£ s. d.	Date	Cr.	L.F.	£ s. d.
1908				1908			
Jan. 31	To labour	..	23 3 10 0				
Apr. 30	" " horse labour	..	23 3 10 0	Apr. 30	By balance being cost to date		35 7 0
	" dung..	..	3 6 9 6				
		..	22 21 17 6				
			<u>£35 7 0</u>				<u>£35 7 0</u>
1908							
May 1	" cost b/d	..	£35 7 0				

Meadows, 1908, Account. No. 27.

Date	Dr.	L.F.	£ s. d.	Date	Cr.	L.F.	£ s. d.
1908				1908			
Apr. 30	To labour	..	23 18 0	Apr. 30	By balance being cost to date		1 15 0
	" horse labour	..	3 17 0				
			<u>£1 15 0</u>				<u>£1 15 0</u>
1908							
May 1	" cost b/d	..	£1 15 0				

Barley, 1908, Account. No. 29.

Date	Dr.	L.F.	£ s. d.	Date	Cr.	L.F.	£ s. d.
1907				1907			
Nov. 30	To labour	..	23 15 14 3				
Dec. 31	" "	..	23 9 3 8				
1908				1908			
Feb. 29	" "	..	23 10 19 3	Apr. 30	By balance being cost to date		219 5 0
Mar. 31	" "	..	23 7 14 6				
Apr. 30	" " horse labour	..	3 39 14 0				
	" fallow crops, viz.,	..	12				
	cultivations	..	83 12 10				
	manures	..	23 4 0				
	" barley, 30 qrs. seed..	..	14 20 2 6				
	" ewe flock	..	9 0 0				
			£219 5 0				
1908							
May 1	" cost b/d	..	£219 5 0				

Wheat, 1908, Account. No. 30.

Date	Dr.	L.F.	£ s. d.	Date	Cr.	L.F.	£ s. d.
1907				1907			
Oct. 31	To labour	..	23 41 3 1				
Nov. 30	" "	..	23 5 10 9				
1908				1908			
Feb. 29	" cash, cultivating	..	30 12 10	Apr. 30	By balance being cost to date		324 14 7
	" " seed dressing	..	16 6				
	" " coal	..	5 2 8				
Apr. 30	" dung	..	22 106 9 6				
	" artificials	..	35 46 0 0				
	" horse labour	..	3 44 6 9				
	" seeds, 1907..	..	11 0 0				
	" wheat, 1907..	..	16 30 2 6				
	" ewe flock	..	9 3 10 0				
			£324 14 7				£324 14 7
1908							
May 1	" cost b/d	..	£324 14 7				

Oats, 1908, Account. No. 31.

Date	Dr.	L.F.	£ s. d.	Date	Cr.	L.F.	£ s. d.
1907				1908			
Nov. 30	To labour	..	23 10 3 6				
Dec. 31	" "	..	23 2 10 9				
1908							
Feb. 29	" " cash, steam cultivation	..	23 3 13 1	Apr. 30	By balance being cost to date		69 15 11
	" " coal	..	15 6 5				
Mar. 31	" " labour	..	2 11 4				
Apr. 30	" " horse labour	..	23 4 14 0				
	" " oats, 1907	..	3 19 5 7				
	" " ewe flock	..	17 9 16 3				
		..	9 1 15 0				
			<u>£69 15 11</u>				<u>£69 15 11</u>
1908							
May 1	" cost b/d	..	£69 15 11				

Pastures, 1908, Account. No. 32.

Date	Dr.	L.F.	£ s. d.	Date	Cr.	L.F.	£ s. d.
1907				1907			
Dec. 31	To labour ..	..	23 18 3				
1908				1908			
Apr. 30	" " ..	..	23	Apr. 30	By balance being cost to date		55 5 4
	" horse labour ..	..	7 10 0				
	" young horses ..	..	7 17 7				
	" cows ..	..	5 9 6				
	" store cattle ..	..	8 15 0				
	" fating cattle ..	..	7 6 5 0				
	" ewe flock ..	..	13 5 0				
		..	5 5 0				
			<u>£55 5 4</u>				<u>£55 5 4</u>
1908							
May 1	" cost b/d ..	..	£55 5 4				

Rent, Rates and Taxes Account. No. 33.

Date	Dr.	L.F.	£ s. d.	Date	Cr.	L.F.	£ s. d.
1907				1907			
May 31	To cash, rates ..	..	20 16 5	July 31	By cash, income tax repaid	..	9 6 4
July 31	" " " ..	..	13 7	Nov. 30	" " cottage rents ..	..	7 0 0
Nov. 30	" " " ..	..	17 0 8				
1908				1908			
Jan. 31	" " rent ..	..	550 0 0	Apr. 30	" " sundry accounts	..	7 0 0
	" " income tax ..	..	10 16 0				576 0 4
			<u>£599 6 8</u>				<u>£599 6 8</u>

Clover Seeds, 1908, Account. No. 34.

Date	Dr.	L.F.	£ s. d.	Date	Cr.	L.F.	£ s. d.
1907				1908			
May 31	To cash, seed ..	..	21 7 4				
1908							
Apr. 30	" horse labour ..	..	3 1 13	9 Apr. 30	By balance being cost to date		71 17 1
	" barley, 1907 ..	..	14 48 16	0			
			<u>£71 17 1</u>				<u>£71 17 1</u>
1908							
May 1	" cost b/d ..	..	£71 17 1				

Artificial Manures Account. No. 35.

Date	Dr.	L.F.	£ s. d.	Date	Cr.	L.F.	£ s. d.
1907				1908			
June 30	To cash, 8 ton super. . .	..	21 18 0	Apr. 30	By <i>wheat</i> , 1908 ..	30	46 0 0
	" " 4 ton salt ..	..	3 8 0		" <i>fallows</i> , 1907 ..	12	23 4 0
	" " 8 ton nitrate of soda ..	..	92 0 0		" <i>mangolds</i> , 1907 ..	13	17 0
Oct. 31	" " carriage of super. ..	..	1 6 0		" balance being stock on hand ..	..	48 11 0
			£118 12 0				£118 12 0

1908
May 1 " stock on hand b/d.. .. £48 11 0

Private Account. No. 36.

Date	Dr.	L.F.	£ s. d.	Date	Cr.	L.F.	£ s. d.
1908				1908			
May 1				Apr. 30	By <i>sundry accounts</i> ..	..	239 10 3

CHAPTER VII

PROFIT AND LOSS ACCOUNT AND
BALANCE SHEET

ALL the accounts are now completely entered up and balanced, excepting only the Capital Account, No. 1, and the Private Account, No. 36, and the final step, the preparation of the Profit and Loss Account and of the Balance Sheet for the year, can be taken.

The Profit and Loss Account is simply one in which the various profits or losses incurred during the year in the various departments of the farm are collected together so that they may be seen at a glance, and so that the net total profit on the year's working can be ascertained.

It is an ordinary Ledger account, and it is posted up direct from the profit or loss balances in the various accounts. Thus, in Farm Horses Account, No. 2 (p. 159), there appears the *debit* entry under date April 30th, 1908, "To Balance being profit £75. 6s. 11d." In the Profit and Loss Account a *credit* entry is made accordingly: "By Farm Horses, £75. 6s. 11d." All the profit or loss balances are entered in the Profit and Loss Account in this way, and the balance, which will be found to be £1325. 7s. 5d., represents the farmer's total reward for his expenditure of skill and labour throughout the year (see page adjoining).

The destination of this profit balance has now to be considered. If it were left in the business it would act as an addition of capital to it, and would accordingly be carried to the Capital Account. But it is

reasonable to assume that in most cases the money would be withdrawn from time to time by the farmer for his personal use, in fact, it is probable that he will have been drawing money from his farm banking account during the year in anticipation of this profit. It should therefore be carried to the credit of the Private Account, No. 36 (see page adjoining). At first sight it might be supposed that the Private Account *receives* and should consequently be *debited*, but on reflection it will be obvious that so far from there being any transfer of value to the Private Account representing profits made, these profits are in the form of increased live or dead stock, or increased fertility, or in the form of extra cash in the bank, and they are *due* to the Private Account. This account is therefore *creditor*. It is when the farmer draws the money from his bank for his personal use that the Private Account receives value, and it then becomes debtor to the Cash Account, which gives up value.

The Private Account (p. 193), the Capital Account (p. 193), and the Cash Book (p. 103) are now balanced, the balances being carried forward to start the accounts for the coming year, and then the final operation, the preparation of the Balance Sheet, is embarked upon. The Balance Sheet consists of a statement of the Liabilities and of the Assets of the business, that is to say, the money owing by the enterprise, with which is included the capital put into it, on the one side, and on the other side, the money and other forms of value possessed by the business, with which to balance the liabilities. In the case under consideration the business has received £4793. 3s. 11d. of capital at the beginning of the year, and it also owes the farmer

Private Account. No. 36.

Date	Dr.	L.F.	£ s. d.	Date	Cr.	L.F.	£ s. d.
1908 April 30	To balance, being amount due to farmer		1564 17 8	1908 April 30	By sundry accounts		239 10 3
					„ profit and loss		1325 7 5
			<u>£1564 17 8</u>				<u>£1564 17 8</u>
				1908 May 1	By balance brought down		1564 17 8

Capital Account. No. 1.

Date	Dr.	L.F.	£ s. d.	Date	Cr.	L.F.	£ s. d.
1908 April 30	To balance carried down ..		4793 3 11	1907 May 1	By sundry accounts		4793 3 11
			<u>£4793 3 11</u>				<u>£4793 3 11</u>
				1908 May 1	By balance brought down ..		4793 3 11

Balance Sheet.

Date 1908	Dr.		Date		Cr.	
	Liabilities		£ s. d.		Assets	
April 30	To capital..	..	4793	3 11	By farm horses ..	279 0 0
	„ private account	..	1564	17 8	„ nag ..	36 0 0
					„ cows ..	372 0 0
					„ store cattle ..	569 10 10
					„ ewe flock ..	1246 12 6
					„ pigs ..	15 0 0
					„ poultry ..	13 12 6
					„ implements ..	506 13 9
					„ foods ..	394 5 10
					„ dung ..	173 17 0
					„ fallow crops, 1908	107 14 6
					„ mangolds, 1908	35 7 0
					„ meadows, 1908	1 15 0
					„ barley, 1908..	219 5 0
					„ wheat, 1908 ..	324 14 7
					„ oats, 1908 ..	69 15 11
					„ pastures, 1908	55 5 4
					„ clover seeds, 1908	71 17 1
					„ artificial manures	48 11 0
					„ Cash in hand	1817 3 9
						£6358 1 7

£1564. 17s. 8d. being the balance due to him on personal account (*i.e.* one year's interest on the capital he has invested, and the year's profit). These are the liabilities. The assets are the cash in hand at the end of the year, the value of live and dead stock on the farm, and the value of the tenant-right (cultivations, pastures, etc.). The Balance Sheet is therefore made up as appears on page 194.

CHAPTER VIII

CONCLUSIONS AND DEDUCTIONS

It is now desirable to see what information is to be deduced from the year's accounts, but in drawing conclusions it must be borne clearly in mind that the figures are for one year *only*, and the circumstances attending the year's work must be very carefully weighed before framing any new policy upon results obtained over so short a period. As time goes by, average costs can be worked out, and each year that elapses will give additional reliability to the figures arrived at; it will be these averages that will act as pointers in the development of the enterprise. Taking the Capital Account, p. 193, it is apparent that the farmer had the sum of £4793. 3s. 11d. invested in his farm; at the end of the year this sum is still there, and there is a further amount of £1564. 17s. 8d. which represents the profit on the year belonging to the farmer, but not yet withdrawn by him from the business, as is shown by the state of the Private account on p. 193.

Next, there is the Farm Horses Stock Account,

p. 159. This account shows that by his skill in the management of his horses the farmer has made a profit of £75. 6s. 11d. The Farm Horses Working Account, p. 160, is one of considerable interest. From it can be deduced the cost of keeping a horse for a year, and the cost of a day's horse-labour. In this case there were 13 horses, and their total cost was £267. 6s. 3d.; whilst they worked a total of 3770 days (see p. 140). Each horse cost, therefore, £20. 11s. 3d., each worked for 290 days, and the cost of a day's horse labour in this particular year was 1s. 5d.

The Nag Horse Account is unimportant, but coming to the Young Horses Account, on p. 162, the profit on raising three young horses is seen. The total cost of these horses up to three years of age, including service fees, cost of mares during the period in which they were unable to work, and all other charges is £95. 18s. 2d., or £32 each, and the profit realised on them is £21 each. The profit of course is good, and shows what can be done with well-bred stock and with good luck, but the important figure deduced from the account is that of the cost of raising the young horses to 3-year olds, namely £32. If this figure proves to be about the average cost, the farmer knows exactly what is the lowest price at which he can breed and sell horses without loss.

Coming next to the Cows Account, p. 163, the cost of keeping the cows is shown; a comparison of this cost with the number of gallons of milk produced gives the farmer the cost of one gallon, and enables him to compare the advantages of milk selling and calf raising. Further, by summarising the various components of the total cost, he can analyse the cost

of a gallon of milk ; he can see year by year how much his expenditure on labour, foods, etc. fluctuates, and by the comparison of these figures with those of other men in the locality his attention will be directed to any excessive expenditure.

The Store Cattle Account, p. 164, represents the cost of the young beasts, and it is the average cost per beast as determined over a series of years by this account, which is indispensable to the farmer in deciding as to the relative advantage in any year of feeding for beef or selling as stores.

In the next account, Fattening Cattle, p. 165, the final result after the realisation of the finished product is seen. It will be noticed that in the year in question the profit was quite trifling, and by comparison of these two stock accounts the farmer is able to draw a pretty accurate conclusion as to the price which is needed to make beef production more profitable than the selling of store stock.

The only remaining cattle account, namely that for Bull Calves, p. 181, is on lines exactly similar to the Young Horses Account already described. It enables the farmer to see the cost per head of rearing young bulls, and a comparison of this figure with the average selling price will enable him to gauge how far the additional trouble and risk incurred in this branch of farming is repaid to him.

The Ewe Flock Account on pp. 166—7, shows the profit on the sheep. In this case, it was the practice to sell all lambs in the autumn except those required to maintain the flock at full strength, so that the cost of producing mutton does not appear. The cost per ewe in this style of management can be ascertained,

however, and appears to be about £2 for the year, whilst the profit per ewe is about 16s. 3d.

The Pigs and Poultry Accounts call for no special comment.

Coming now to the land departments, the first account is that for the Fallow Crops in 1907, on p. 170. This account shows the farmer the exact cost per acre of his fallow crops, and a consideration of the component items of the cost enables him to distinguish between work done in growing the crop, and that done in cleaning the land (see p. 145). This is important, as it is the only means by which the cost of roots, etc., fed on the farm can be ascertained.

The Mangold Account for 1907, p. 171, enables the cost per ton of the mangolds to be got, viz. 7s. 2d. per ton. The corn crops on pp. 172—5, which come next illustrate very well the importance and value of the determination of the cost of production. Each of these accounts shows the cost of producing that sort of grain to which it relates, namely 13s. 5d. per qr. for barley, 20s. 1d. per qr. for wheat, and 13s. 1d. per qr. for oats. Some of this grain has been sold and the rest fed to stock. It is therefore at once desirable and possible to get a comparison of the cost with the market value of the corn sold, and the farmer is enabled to weigh the comparative advantages of feeding or selling the corn produced on the holding.

The Clover Seeds Account, p. 173, and the Meadows Account, p. 176, are useful in determining the cost of producing hay, namely £1. 0s. 3d. per ton, and £2. 13s. 10d. per ton respectively, and the object in keeping a Pastures Account (p. 176), namely to ascertain the cost of grazing, has already been discussed (p. 137).

The Dung Account gives the cost per load of the dung produced on the farm, namely 6s. 3d.; it will sometimes enable the farmer to realise the high cost of dung from heavily caked stock, and lead him to consider very carefully the compilation of feeding rations. The various crop accounts for the year 1908 (pp. 181—7), are useful in that they eliminate a certain amount of guess-work from the calculation of tenant-right, seeing that they substitute for it the exact cost of each crop up to the close of the financial year.

The remaining accounts have already been dealt with and call for no further mention. There is, however, another matter to which reference may now be made, and this relates to the mechanical part of the work of account-keeping. It is possible to reduce the work in various ways, and these have not been mentioned hitherto, because it has been no part of the author's plan to obscure the clear statement of the cost principle by directing the attention of the student from it to the consideration of devices to save trouble. An example of what can be done in this direction is provided by the Working Horses Accounts, pp. 159 and 160. Here are two accounts, the one to show the profit or loss on the horse-stock, and the other to show the cost of horse-labour. By providing an additional set of money columns these two accounts can be combined, and the whole horse account will be shown in one. The following rulings indicate how this can be done, the entries being taken from the worked example.

Farm Horses Account.

Date	Dr.	L.F.	Stock	Working	Date	Cr.	L.F.	Stock	Working
1907					1907				
May 1	To capital ..	..	£ 1 246	£ 0 0	Aug. 31	By cash, 2 horses ..	..	£ 29 0	£ 0 0
" 31	" cash, service expenses	..	7 6		Nov. 30	" cash, 1 mare ..	..	9 19	0 0
	" <i>foods</i> ..	..	21	15 3					
June 30	" ..	..	21	15 16					
July 31	" ..	..	21	8 16					
	" cash, sundries ..	..		1 6					
Aug. 31	" <i>foods</i> ..	..	21	6 16					
	" cash, vet. surgeon	..		6 4					
Sept. 30	" <i>foods</i> ..	..	21	7 8					
	" cash, chaff cutting	..		3 0					
	" " service fees ..	..	3 3	0 0					
	etc.					etc.			

At the end of the year the columns are, of course, balanced independently.

Again, in some of the other live stock accounts much trouble and labour may be saved by having a number of analysis columns, with suitable headings, thus analysing the cost of production as the account develops instead of waiting until the end of the year and then casting back to sort out the various items. Taking the Cows Account appearing on p. 163, and treating it in this way, there might profitably be analysis columns on the debit side for "Stock," "Bought Foods," "Home-grown Foods," "Labour" and "Other Payments." On the credit side might appear "Stock," "Milk," "Calves," and "Other Receipts." On both sides a column would also be provided entitled "Total," in which all debit and credit entries respectively are entered, and it is these two columns which are balanced at the end of the year. In fact, the account is treated exactly as it appears, with the addition of a series of analysis columns. It will then appear as shown on page 202.

The advantage of the analysis is that it enables the cow-keeper, who knows, say, the number of gallons of milk he has produced, to analyse the cost of the milk per gallon in a few moments, and as already remarked, by comparison of the various items of cost with those in previous years, or with any of other people's that may be available, his attention is directed to excessive expenditure in any particular.

Again, with the Cash, though it is much the better plan to pay all receipts into the Bank, and to make all payments by cheque, it is not unusual to find men who prefer to use the money received for cash sales

Cows Account.

Date	Dr.	L.F.	Total	Stock	Bought Foods	Home-grown Foods	Labour payments	Other
			£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.
1907								
May 1	To capital	1	372 0 0	372 0 0				
" 31	" foods	21	10 10 6		5 3 9	5 6 9		
" "	" labour	23	1 13 0				1 13 0	
June 30	" foods	21	5 18 11		2 7 6	3 11 5		
" "	" labour	23	2 3 9				2 3 9	
July 31	" foods	21	3 12 7		1 11 0	2 1 7		
" "	" labour	23	1 0 6				1 0 6	
" "	" cash, sundry payments		8 1					8 1
	etc.							

Cows Account.

Date	Cr.	L.F.	Total	Stock	Milk	Calves	Other receipts
			£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.
1907							
July 31	By cash, 10 cows	..	137 0 0	137 0 0			
Aug. 31	" milk	..	2 11 9		2 11 9		
Oct. 31	" bull calves	..	12 0 0			12 0 0	
	etc.						

to meet cash payments, and this case can be met by providing "Cash" and "Bank" columns in the Cash-book. These will then be filled in exactly as in the case of the "Stock" and "Working" columns in the Horses Account (p. 200), and at the end of the year the balance of the Cash columns should give the amount of loose cash in the office, whilst the balance of the Bank column should agree with the balance of the pass-book¹.

The illustration on p. 204 is taken from the Cash-book appearing on p. 98. When a cheque is cashed to meet sundry cash payments, it will be entered in the Bank column on the payments side, and in the Cash column on the Receipts side. The subsequent cash payments will then be entered in the Cash column on the Payments side.

A difficulty which may present itself at the end of the year, is the question of how to deal with tradesmen's accounts out-standing. Even though there may be nothing due to the farmer, there are sure to be accounts due by him to the local tradesmen which will not be sent in until some time after the close of the financial year. These are quite easily dealt with. An account is opened in the Ledger entitled "Sundry Creditors," and when all the bills have been received they are analysed under the respective farm departments

¹ It might be mentioned that the Cash-book is sometimes complicated by the addition of columns for Discount, but these are quite superfluous in farming accounts. If a farmer has been allowed 5s. discount off a ton of cake invoiced at £5. 5s. 0d., it is sufficient to know that he has paid £5 for this food. To charge the food at £5. 5s. in the food account, and then to balance it by crediting "Bank" with £5 and "Discount" with 5s. is to go through an evolution which will lead into error. In certain classes of business, discounts may properly enter into the profit and loss account, but farming is not one of them.

Cash Book.

Date	Receipts (<i>Dr.</i>)	L.F.	Cash	Bank	Date	Payments (<i>Cr.</i>)	L.F.	Cash	Bank
			£ s. d.	£ s. d.				£ s. d.	£ s. d.
1907									
May 31	To capital, cash in bank ..	1		130 18 4	May 31	By labour, wages	23		29 9 0
	" ewe flock, 8 lambs ..	9		13 16 6		" labour, board of wag-	23		3 3 2
	" " 6 ewes ..	9		17 8 6		goners	2	7 6	
	" " wool locks ..	9		8 4 6		" horses, service expenses			
	" poultry, eggs, etc. ..	11	1 11 10						
	etc.					etc.			

to which they belong, and are then journalised. Suppose there were accounts out-standing as follows :

			£	s.	d.	£	s.	d.
Due for cake	..	..				25	10	0
„ „ manures	..	..				15	0	0
„ to blacksmith :								
Horses	..	..	16	15	0			
Implements	..	..	2	5	0			
						19	0	0
„ „ vet. surgeon :								
Horses	..	..	16	0				
Cows	..	..	2	6	0			
						3	2	0

they are journalised thus :

			£	s.	d.	£	s.	d.
<i>Sundry Accounts, Dr., viz. :</i>								
Feeding stuffs	..	..	25	10	0			
Manures	..	..	15	0	0			
Horses, blacksmith	..	..	16	15	0			
„ vet. surgeon	..	..	16	0				
Implements	..	..	2	5	0			
Cows	..	..	2	6	0			
<i>To Sundry Persons, viz. :</i>								
Cake merchant	..	..				25	10	0
Manure merchant	..	..				15	0	0
Blacksmith	..	..				19	0	0
Vet. surgeon	..	..				3	2	0

The debits are carried to the various farm departments concerned, enabling these to be balanced off so as to show their true position, and the credits are carried to the new account opened for “Sundry Creditors.” The balance of this account appears as a liability in the Balance Sheet, and when the various tradesmen are paid off during the coming year the “Sundry Creditors” is debited and its balance is thus wiped out. Should there be any debtors at the close of the year, they are dealt with on identical lines.

There is probably no need to enlarge to any further extent upon this aspect of the subject. No finality

is claimed for any of the special forms or processes recommended in this volume. They are merely introduced for the purpose of aiding the farmer and the student in the study of the principles of *Costing* as applied to the business of farming. These principles are easily understood, and their application entails no profound knowledge of accountancy, but the practical difficulties which arise and which have been anticipated to some extent in this volume, are more numerous, possibly, than in any other business, and they vary with varying styles of farming. Nothing is more to be desired, therefore, than that each individual, keeping clear in his mind the idea of working for the cost of production, should devise means to that end specially suited to his own case, and that he should not allow himself to be bound by any rigid system, based probably on some particular form of book-rulings, which may be offered to him. The organisation of the farm as an industry has hardly yet begun, and it will never be accomplished by shirking the difficulties which present themselves in the process.

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